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4 December 1981

## SOUTH AND EAST ASIA REPORT

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FINANCE MINISTER'S STATEMENT TO WORLD BANK PARLEY

Dacca THE BANGLADESH TIMES in English 12, 15 Oct 81

[Statement by Mr. M. Saifur Rahman, Minister of Finance at the Joint Annual Discussion of the Board of Governors of the World Bank]

[12 Oct 81 pp 5, 6]

[Text] At the very outset, I would like to join the other Governors in extending a hearty welcome to Mr A. W. Clausen, the new President of the World Bank group. We are confident that under his leadership the institution will not only preserve but will carry forward the understanding that has been achieved over the years on international socio-economic development. I would also like to welcome at this stage the new members of the Bank and the Fund. We have listened with great interest to President Reagan's address and noted with reassurance the continued support of the United States for our two institutions. We are also grateful to the Managing Director of the Fund and the President of the Bank for their very thoughtful and forthright statements.

At the conclusion of last year's Annual Meetings in October 1980, a broad consensus had emerged on the role of the World Bank and the International Monetary Fund in the 1980s. There was widespread appreciation among the developing and the industrial countries of the assistance that the developing countries will need in the 1980s to improve their levels of living and to facilitate the structural changes in their economies required by the changes in external environments. It was also appreciated.

--That all previously planned programmes of international assistance, including that of the Bank and the Fund, must be re-examined in order to determine how the increased and urgent needs of the developing world could be met.

--That these institutions must mobilise substantial additional resources to take into account the unexpected rates of inflation, the sharply deteriorated current account deficits of the developing countries due to the rise in prices of oil and other imports, reduction in their export earnings due to recession in the industrial countries, increased requirements for energy investments and requirements of the People's Republic of China.

--That there was indispensable need for increasing development assistance to the non-oil developing countries, particularly for the low-income countries.

--That the industrial countries have to follow appropriate adjustment policies, improve market access for the exports of the developing countries, avoid protectionism, reduce undue reliance on monetary policies, with a view to reducing the heavy burden of adjustment which under those policies fell mainly on the developing countries.

Unfortunately, we are sorry to say that very little progress has been achieved on the consensus that we thought was arrived at among the members of these two institutions, and we note with deep concern the relentless deterioration of the short--and medium-term prospects for the developing countries and the apparent unwillingness of many developed countries to pursue policies supportive of international development and greater international assistance.

The Annual Reports of the International Monetary Fund and of the World Bank, the World Development Report 1981, and the World Economic Outlook published by the Fund--all indicate that the international economic situation continues to remain difficult and is deteriorating, particularly in the developing countries. A number of major industrial countries continue to face recession, energy cost continue to remain high, as to inflation and interest rates. Fluctuating exchange rates, almost negligible growth of world trade, and delining prices of primary commodities exports of non-oil developing countries have led to serious balance of payments pressures and depressed their investment programmes. The growth rates of the non-oil developing countries, mainly because of shortage of critical resources and also because of their dependence on the markets of industrial countries, declined further in 1980-81. The combined current account deficits of the non-oil developing countries, which reached \$84 billion in 1980, almost 80 per cent higher than the level of 1979, are expected to go up to \$97 billion this year, and will probably exceed \$100 billion in 1982. Further, a serious deterioration has taken place in the relative terms of trade of the developing countries.

The most disappointing feature of the international development scenario is the picture regarding net disbursement of official development assistance (ODA). In 1980 the total flow reached 0.37 per cent of their aggregate GNP, of which only 34 per cent was available to the low-income countries. Most disconcerting, however, is the fact that only 10 per cent of ODA was available to the least-developed countries.

With aid flows much below the desired and recommended levels, and practically no access to the commercial bank resources, one could seek some compensation through exports and benefits of trade--a course vigorously advocated by international institutions and bilateral donors. Here also the low-income countries continued to be left behind. Their exports could not grow fast enough to match the rising cost of oil and imports from industrial countries.

The middle-income countries have been more fortunate in this respect in the past decade. The increase in developing countries' export purchasing power during the 1970s breaks down into \$105 billion for oil exporters, \$118 billion for middle-income oil importers, but a mere \$3 billion for low-income oil importers. Low-income oil importers' export purchasing power was almost one third lower in 1980 than in 1970--in contrast to the middle-income countries, whose purchasing power

increased by almost two thirds. This is a clear indication that the deteriorating terms of trade had the most devastating effect on those who could afford it the least--and my own country is a serious casualty of this phenomenon to which I shall revert shortly.

What is most depressing and frustrating are the projections made by the World Bank and the International Monetary Fund for the decade as a whole. Under the optimistic "high case" projection of the World Development Report, as well as the "scenario A" of the Fund analysis per capita income for the low-income oil importing countries is projected to grow only 1.8 per cent in the next decade compared with 3.4 per cent for the middle-income oil importers and 3.1 per cent for the industrial countries as a group. Under the "low case" scenario, the situation is much more precarious permitting no more than 0.7 per cent per capita growth for the low-income oil importing countries compared with 2.1 per cent for the middle-income oil importers and 2.3 per cent for the industrial countries. Thus, even under the most favourable circumstances, i.e., the "high case", the gap between the rich and the poor countries (including the gap between middle-income and low-income countries) will widen in this decade, and this effect will be considerably aggravated under the less favourable circumstances. Is it not a shame for the international community that at the end of a century of unprecedented technological, economic and social advances in many parts of the world, 850 million people may still remain consigned to a situation devoid of a minimum element of human dignity?

In the low-income countries the identified adjustment problems appear to have no short-term solution. Apart from immediate balance of payments needs, the longer-term tasks of investments and restructuring will require a decade or more of increased support with concessional funds. The time scale is even longer for the least-developed countries where the essential foundations of economic development infrastructure, human capital commercial networks, and administrative machinery at all levels are still at the nascent stage. It is in the context of these prospects that a UN conference for the least-developed countries was specially convened last month in Paris. The conference finalized and adopted the substantial new programme of action for 31 least-developed countries outlining in detail the objectives, goals, and strategy of development for these countries and also the support measures needed from the international community for realizing the programme of action. Though significantly short of expectations the conference in general terms agreed to double ODA to the least-developed countries by 1985. It was also gratifying that most donors reaffirmed their commitment to provide 0.7 per cent of their GNP as ODA in the immediate future. The hopes generated in Paris call for urgent positive action not only by the bilateral development partners but also by the multi-lateral agencies.

Exhortations for structural adjustments on all fronts, such as expansion of exports, containment of energy demand, steps for increasing energy supplies, and rearrangement of financial flows, are no doubt well-conceived. Admittedly, structural adjustment is a must for long-term stable and viable growth. But is it not unrealistic to expect the developing countries to tackle all areas of adjustment simultaneously? While concentrating on food and agriculture, the most important area for import substitution for many developing countries, no country can ignore even modest levels of investment in education, health, population planning, supply of pure water, and, above all, for building up physical infrastructure in the interest of



medium- and long-term growth considerations. The small indeed if they do not receive the requisite cooperation of industrial and oil surplus countries in this respect.

Apart from the much-discussed imbalances between the oil exporting and oil importing groups of countries, the other problem, perhaps not so widely recognized, as discussed by the Fund in the World Economic Outlook, is that which exists within the large group of oil importing countries, principally between the industrial countries and the non-oil developing countries. Developing countries cannot expand their exports, particularly of manufactures, if the industrial countries continue to use protective measures against them. The needed structural adjustment of their economies will also require time even if all the right policies are implemented. Most importantly, financing at adequate levels will be required for a number of years in support of adjustment programmes. Direct private investment in developing countries by industrial and oil exporting countries has no doubt a crucial role to play in that context, but in low-income it is clear that the overwhelming part of the financing need has to be met on concessionary terms.

The non-oil developing countries are receiving support toward covering a part of their current account deficits directly through bilateral loans and grants from the OPEC countries, as well as indirectly through international lending agencies. An important new contribution to the current account financing of Fund members, including non-oil developing countries, is the arrangement concluded by the Fund with Saudi Arabia. A noteworthy feature of OPEC assistance, as is well known, is its united character. We sincerely hope that the initiative taken by Mexico and Venezuela in helping developing countries with special measures relating to the import of oil will soon be followed by other oil producers.

Let me take advantage of this occasion to say a few words about my own country, Bangladesh, whose 90 million people represent almost one third of all human beings living in the least-developed countries. Almost 80 per cent of our people live below the poverty line. We have been most seriously hit by the adverse changes in the international economic situation. While over 70 per cent of our export earnings is pre-empted by oil imports, there is hardly any respite from the burden of payment for imported capital goods and industrial raw materials. The pressure on our balance of payments has thus been severe indeed. We are, however, determined to raise the level of living of our people and launched our second five-year plan a year ago, placing high priority on raising agricultural production, cutting down growth of population, exploiting domestic energy sources, and spreading mass literacy. I am glad to report to you that in the very first year of our plan, fiscal 1980-81, we exceeded our target of increase in food production and have been making all out efforts to raise domestic resources. Unfortunately, however, the full potential of growth of the economy cannot be realized due to shortfall from the expected level of international support. Our investment objectives and investment priorities are intended to bring structural changes in our economy and in fact in our situation it is hard to distinguish between structural adjustment and development. Limited capacity to save from the presently low levels of income and the deteriorating external environment, have put severe constraints on our efforts. Our terms of the trade have deteriorated substantially over the past two years, although we have been exporting more in terms of volume of many of our products, export receipts have declined. I mention these only to draw the attention of the

international community to strong and generous support needed to reinforce our national efforts. While we note the recommendations by the Bank and the Fund to adopt outward looking policies for increasing exports, there is a limit to which this can be achieved in the short run, as there is hardly any room to cut down consumption below subsistence levels. To generate a surplus for exports and to exploit our domestic energy resources, we need a substantial level of external assistance, which is known to the Bank and the Fund as well as to the bilateral donors.

We welcome the agreement reached on interim procedures for subscribing to the General Capital Increase of the World Bank. Although we congratulate the World Bank on another successful year of operation leading to a total commitment of over \$ 12 billion for IBRD and IDA, we are disappointed to note that IDA commitments in fiscal 1981 were lower than in the previous year. Net disbursements appear to show upward trends. The IFC also deserves our commendation for increasing their operations significantly over the past year. We fully agree with Mr. Clausen that the major source of success of the IFC is its flexibility and shunning of doctrinaire approach.

We are, however, deeply concerned to note the dim prospects for expansion of the activities of the World Bank. We welcome the effectiveness of the Sixth Replenishment of IDA. But apart from the fact that it came late, considerable uncertainties still seem to remain about the level of actual commitments that will be achieved in fiscal 1982 and fiscal 1983. We strongly urge that according to the original international agreement, IDA VI should remain a three-year programme and should have the full authority to commit the agreed amount of \$ 12 billion by fiscal 1983. In the light of the difficulties facing the low-income countries which have been described at length, it is absolutely essential that there is no slippage in commitment of IDA VI resources beyond fiscal 1983. Unless this is ensured, there is great danger of the commitment period of IDA VII being adversely affected. In the light of the timetable followed for Replenishments in the past, the negotiation process for IDA VII must start by the end of 1981 with the view of reaching agreement by July 1, 1983. We are encouraged by the statement of the President of the World Bank in this respect. What should be most important, is to ensure growth in IDA VII in real terms over IDA VI at least comparable to past trends. Since this is the largest single source of concessional assistance for the low-income countries, this will be an important indication by the donor community that it seriously considers helping the developing countries in meeting their resource needs in the most difficult period ahead and according to their requirements, as outlined in WORLD DEVELOPMENT REPORT 1981. We are extremely thankful to Mr. Clausen for his elucidation of the nature and role of IDA which should help to disabuse the minds of many uninformed critics and remove serious misunderstandings existing in certain quarters. His discussions about the standards of IDA operations and the important and productive role that IDA has played and is playing in the developing world, and particularly in the low-income countries, has been most timely. We also congratulate him for so succinctly describing the contribution that IDA resources can make to help the poor countries in achieving greater economic stability, greater self-reliance, and greater social cohesion, and also the importance of IDA to the national self-interest of the developed nations.



While on this subject we also urge an early agreement on the composition and terms of reference of the Task Force on Concessional Flows in order that appropriate solutions may be found without loss of time for the problems that currently affect the volume, quality, and the effective use of concessional flows. It has assumed special importance in view of the need for mobilizing additional concessional resources for meeting the urgent needs of the Sub-Saharan African countries. There is hardly any scope for diverting resources to the African countries from other poor regions of the world. It should be borne in mind that the largest numbers of the world's absolute poor are concentrated in South Asia and per capita income "high-case" scenario, will barely be equal to the level obtaining in the Sub-Saharan African countries at the present time.

We shall be less than candid if we did not express grave concern over the developments regarding the lending programme of the World Bank for fiscal 1982, and the indicative plan for fiscal 1982-86. These do not take into account any of the concerns expressed by the Governors in the last Annual Meetings and reiterated in the Gabon meeting of the Development Committee. The Brandt Commission Report had made valuable recommendations for increasing the Bank's lending capacity.

[15 Oct 81 pp 5, 7]

[Text] We hope that the Task Force on Non-Concessional Flows set up by the Development Committee will also have important suggestions to make. But over and above all these, we look forward to the initiation of innovative techniques by the new President of the Bank who has vast experience in the handling of and raising international resources. As was recognised at the last Annual Meetings, the international financial institutions, including the World Bank, have a major role to play in the recycling of the international surpluses. The Fund has already taken a significant step by coming to an agreement with the Saudi Arabian authorities. We hope the World Bank will be able to come to some such arrangement to raise its resources for lending, in addition to exploring other means for increasing its resources by possible redesigning of the capital structure.

We remain concerned over the change in some members' perception of the role of the World Bank. The World Bank has played an historic role in increasing the understanding between the developing and developed member countries. We do not take any doctrinaire approach and believe that the private sector can play important roles in the development of many economies. However, we remain convinced that it is not necessarily the answer to the problem in all cases, particularly in the case of the low-income countries. The World Bank should not close its doors to financing of infrastructure projects and other viable projects in the developing countries in fields which cannot be attractive for private entrepreneurs such as roads and highways, rural development, population planning, and human resource development. Public investment will have to play a predominant role in these areas. We must recognise that the World Bank is not a commercial bank and was never conceived of as such by its members. As has been described by Mr Clausen, the Bank and IDA have been playing a significant role in the nonfinancial field also, such as technical assistance and research and there is a strong case for expanding that role rather than reducing it.

If concessional resources are likely to grow only very slowly, as the trends seem to indicate, it will be necessary for the management of the Bank to consider innovative measures through appropriate selection of projects and financial mechanisms

to channel IBRD resources to the low-income countries. We hope that under the leadership of the new President of the Bank, with his vast experience in international banking and finance, it will be possible to break away from the traditional concepts of creditworthiness, which have been mechanically applied and have resulted in the exclusion of a large number of developing countries from IBRD resources.

We hope that the World Bank will continue to retain the leadership role it has established for itself in the field of development policy and in the matter of meeting basic human needs of the poor people in the developing countries through innovative project designs. While we are happy to note from Mr Clausen's statement that the Bank will continue to follow the priorities established in its lending operations over the years, giving adequate attention to the needs for agriculture and energy, it would be wrong in our view to cut down the share of social sector investments. We firmly believe that these institutions have genuine obligations for helping the developing countries to meet the basic needs of those living in absolute poverty and to continue assistance in these areas for development of human resources.

We are also encouraged to note in the statement of the President of the Bank the importance that will continue to be attached to the need for expanding energy production in non-oil developing countries. But we want to re-emphasize that an increase in the Bank's investments in energy production must represent a net addition to total available resources, unless the pattern of resource allocation set up over the years, to which I referred a little while ago, is to be seriously distorted. While all parties--developing countries, industrial countries and oil surplus countries--recognise the need for such investment, it will be a pity if resource mobilisation measures suffer due to lack of agreement on an appropriate organisational arrangement for channeling such investment. In last year's annual discussions there was widespread support from the Governors for the establishment of an energy affiliate. We would strongly urge that the initiative earlier taken by the World Bank management be expanded and recommendations agreed upon between the concerned groups of countries for determining the optimum means of financing and the appropriate organisational mechanism for an expanded energy programme, including the possibility of an energy affiliate. In our opinion, the World Development Report has argued well why international financial institutions should play a significant part in the process of designing larger energy investments. While cooperation between such institutions and the member countries on the one hand and private energy companies on the other are most desirable, we would be hesitant to opt for any doctrinaire and generalised pattern for this purpose. After all, according to the Bank's own analysis, the bulk of the resources for energy investments will have to come from the private sector--with the Bank playing a catalytic role. Obviously, conditions will differ from country to country depending on the size of possible and probable reserves of energy resources, domestic needs, and possibility of exports. Before leaving this subject, we must reiterate our suggestion that if market-based resources are to play the major role in energy investments, special arrangements must be made for interest subsidy to the low-income countries.

The Annual Report of the Fund indicates that the institution and its Executive Board have been highly active during the year that is just over. We are happy to note that the financial activity of the Fund reached a new peak in terms of number of arrangements with members in the use of the Fund's resources.

We would also like to put on record our satisfaction about the coming into effect of the Seventh General Review of Quotas and steps taken to place in line the quotas of the People's Republic of China and Saudi Arabia. Though not fully meeting the expectations of the developing countries, the Executive Board's decision on compensatory financing of fluctuations in the cost of cereal imports to assist members encountering balance of payments difficulties is also a step in the right direction. We welcome the decision to establish a subsidy account in connection with the supplementary financing facility and hope that the resources of the subsidy account in connection with the supplementary financing facility and hope that the resources of the subsidy account will be supplemented by donations and borrowing on suitable terms in addition to using a part of the Trust Fund repayments. We would like to congratulate the Managing Director for concluding a borrowing arrangement with the Saudi Arabian Monetary Agency. Short-term financing arrangements made with several central banks of industrial countries will also help the Fund in augmenting its resources. While these steps will enable the Fund to pay a suitable role in recycling international surpluses and to meet the increased borrowing requirements of its members over the next three years, we would urge caution in exploring the possibility of Fund borrowing from the private market and its possible impact on interest rate structure and Fund charges. It is in this context that we reiterate the need for expediting deliberations by the Fund Board on the Eighth General Review of Quotas.

We cannot help pointing out that though the financial activity of the Fund reached a new peak, the bulk of Fund assistance to the developing countries in recent years is characterised by high conditionalities, whereas the major part of assistance provided in the period 1974-78 was low-conditionality resources under the oil facility and compensatory financing facility. Also any concrete Fund action on the proposal in the Group of Twenty-Four Programme for Immediate Action for a new medium-term facility in the Fund, and a subsidy account for the enlarged access policy are conspicuous by their absence in the Fund Annual Report.

Simplification of the composition and characteristics of the SDR is welcome, but we regret that discussions concerning allocation of SDRs in the fourth basic period have not come to a satisfactory conclusion and have failed to take account of the overriding principle that the SDR should be the principal reserve asset in the international monetary system. It is disappointing that the Executive Board of the Fund has not concluded its deliberations and made any recommendations for submission to the Board of Governors for further allocation of SDRs at an appropriate and substantial level. We hope that the Fund Board will carry out the mandate from the Interim Committee without any loss of time.

We have noted with great interest the reference made to Bank-Fund collaboration in the statements of the Managing Director of the Fund and of the President of the Bank. Admittedly, adequate collaboration and cooperation are required and desirable between the two Bretton Woods institutions, but such cooperation should be wholly for the purpose of helping the developing countries in following adjustment measures with adequate financial support. We would also like to point out that collaboration between the two organisations should not mean or lead to reinforcement of stricter conditionalities which will put the developing countries in straight jackets with serious economic and social consequences and inevitable depression of their growth rates.



The developing countries have never opposed or refrained from adopting rational and realistic domestic policy reforms and changes. The growing relationship of the developing countries with our two institutions is clear evidence of this process. But one must not lose sight of the need for a realistic time frame for such changes so as not to upset the fabric of social equilibrium. For economic policies of nations, particularly the developing ones, cannot be considered in isolation from their sociopolitical realities, programmes and institutions. What is more important, policy reforms in most cases can be undertaken only in the context of adequate resource support from the international community--the industrial and capital surplus oil countries which have been subjects of intensive discussions in the last few days.

Developments in the industrial countries in the last year or so invariably give an impression that assistance to the developing countries is an item being relegated more and more to a lower position in the agenda of their international concern. This contrasts sharply with positions being taken on ideological considerations and massive planned expenditure on armaments both in the East and the West. We must not let this occasion pass without drawing attention to the fact that the centrally planned industrial economies have also not played their part in helping the developing countries. The projections about the growth prospects of these economies in this decade are, on the whole, more favourable than those for other groups of countries. It cannot be denied that these countries are benefiting from trade with the developing countries, the OSCD countries, and also with the surplus oil countries. It will therefore be quite appropriate to urge them to take their legitimate contribution to the developing world in their efforts to improve the living conditions of their people.

During our discussions last year the recommendations of the Brandt Commission, aptly described as "A Programme for Survival," raised considerable hopes and, in our view, provided an opportunity for an exhibition of statesmanship and political will be the leaders of the industrial countries. It clearly brought out that most economic problems of the present world are interlinked, and global interdependence dictates that there can be no piecemeal solutions to these problems. The report rightly asserted that it is in the best interests even of the developed world to sustain and support the development of the developing world through a massive transfer of real resources and a restructuring of international economic relationships. We therefore sincerely hope that the ensuing Cancun Summit, which was pleaded for by the Brandt Commission, will restore momentum to the process of global negotiations which is now in a standstill position. In the context of this meeting we look forward to a consensus on channeling more resources to the developing countries if the drastic consequences of the "low-case" projections are to be avoided. The requirements for the "high-case" scenario as illustrated by the analyses of the Fund and the Bank are certainly not excessively demanding. Can the developed world, in all good conscience, suggest cutting down the flow of resources which is needed for investment to raise hundreds of millions of poor people from below the poverty line, raising their life expectancy, and educating their children? Whereas in the industrial countries per capita income increased from about \$4 000 in 1950 to over \$10,000 in 1980, and for middle-income countries it grew from \$640 to nearly \$1,600 in 1980, for the low-income countries the improvement was from an appalling figure of \$170 to \$250--a gain of only \$80 per person in 30 years! Is it therefore too much to expect that a modest part of the increase

(only 3 per cent of the increase) of the national product of the industrial countries be transferred to the developing countries in the rest of the decade?

I am about to conclude. In recapitulation I would like to make some observations on the issues of structural adjustments, conditionalities, and the role of private investment in engendering the development process. So much has been made of these during the past few days in this forum and also in the Interim Committee and Development Committee that I feel a compelling urge to make some reference on these much-debated issues. We certainly believe in the virtues of undertaking structural adjustments to put our economy on the right track of a sustainable development process, but it has to be appreciated that this process calls for massive investment and a reasonable time frame. Of late, however, our task has been made manifoldly difficult by the recession induced by the trade restrictive, and at times, incoherent, policies pursued by a number of developed economies with debilitating repercussions on our adjustment efforts. Would it not be unfair of the developed economies to remain insensitive to the consequences of their policies for weaker economies?

The idea of appropriate conditionalities is well understood. But mechanical enforcement of performance criteria, relying mainly on soulless data without adequate consideration of the underlying objectives which the conditionalities are meant to attain, may end in fulfilling the criteria and yet the attainment of the objectives may remain as elusive as ever. On the contrary, objectives may be realized even though the fulfillment of performance criteria may fall short of numerical targets. Should then a country, which under difficult internal and external situations attains the major objectives, be penalized merely because it falls short of meeting some performance criteria mechanically? In my own country, we have met the performance criteria on export expansion in volume but have failed to meet it in export earnings entirely due to the serious deterioration in the prices of our main export products. Should the jute farmers, the tea garden workers, and the fishermen of Bangladesh to produce more by toiling from dawn to dusk under a broiling sun for a miserable reward and wretched existence be further penalised for failing to meet the numerical targets of export earnings? They are not even aware that they are condemned to a wretched existence not because of lack of endeavour on their part, but because of the unfair and inequitable international economic relationship. The answer lies not in penalizing our farmers, workers, and fishermen, but in correcting the unfair international economic relations. The area of adjustment therefore lies beyond the borders of Bangladesh. Doctrines of exchange depreciation mechanically applied merely result in the transfer of resources from the developing countries to the developed countries through deterioration of the terms of trade.

Concerning the virtue of market-oriented private investment, let me remind the audience that as a general rule, the market smiles at the rich but frowns upon the poor--and we are poor and least developed. And yet, being in desperate need for investment resources, we have adopted a comprehensive set of policies to encourage and promote private foreign investment--but except to a limited extent we have not yet been taken as a desirable suitor since our environment is not as attractive compared with that of the middle-income and advanced countries. Let me assure you that we shall continue our efforts for attracting private investment. I wonder, however, whether the private investors would invest in small irrigation and rural development projects, construction of jute and fertilizer godowns, construction of

primary and secondary schools, feeder rural roads and secondary roads, jetties and harbours, and other infrastructure projects. When we talk of private investment in least developed countries, could we lose sight of these compelling economic realities which certainly would not attract private investors?

What I want to say is that the doctrines of structural adjustment, conditionalities, and of private investment have to be pursued with caution and pragmatism. These doctrines should not be pursued in isolation from the economic realities in the low-income and least-developed countries, forgetting the millions of people living in sub-human conditions whose welfare is after all behind all our objectives and policies.

CSO: 4220/7311



# NATIONAL CONFERENCE APPOINTS MA'SHUM LEADER OF MAJLIS

Jakarta MUTIARA in Indonesian 16-29 Sep 81 p 10

[Article by Jopie Lasut]

[Text] The religious scholars of the NU [Nahdlatul Ulama] have just held their national conference at Kaliurang [Central Java]. A new general leader has just been appointed to fill the position left vacant by the late K I Biseri Syamsuri 16 months ago. "The decisions which they took concern ordinary matters," said a non-NU political leader, commenting on the conference of religious scholars, which is a legacy of the prophet.

Kaliurang--About 200 religious scholars [alim ulama] from 22 provinces, meeting at Kaliurang, 24 kilometers North of Yogyakarta, only made decisions on matters in a moderate way.

In the political field the conference decided that, "in order that the presentation of candidacies for the presidency might be presented in a constitutional way at a public session of the MPR [People's Consultative Council], the 1982 general election should be held on time."

The National Conference also declared, "the highest position in the government of our country is that of the chief of state who, according to the Constitution of 1945 is called the president and the supreme commander of the Armed Forces, but, according to the MPR, is their mandatory. And in order not to reduce the status of that position, there is no need to add other titles." This means that titles like "The Father of Development" are included among the unnecessary titles.

However, beside a number of decisions involving politics, the economy, health, and religion the most important decision made by the National Conference was the appointment of a new general leader.

## Culture Plunges Into the Well

By a unanimous vote those attending the conference agreed to the appointment of Kyai Haji Ali Ma'shum as general leader of the Majelis al-Shura [Advisory Council] of the NU. That position automatically involves serving as general leader of the PPP

[Development Unity Party]. "Members of the NU know that unless it fills the post of general leader it will be difficult for the NU to maintain a high level of political activity," said Yusuf Hasyim, first chairman of the Executive Council of the NU, "particularly in view of the general elections which are 8 months ahead of us." Possibly, he had in mind the example of the walkout of the Development Unity Faction in Parliament.

According to Dr H M Tolchah Monsoer, of the NU Regional Advisory Council of the Special Area of Yogyakarta, the position of general leader of the NU certainly cannot be compared with the position of the pope in Rome, but his role for NU members is comparable with that of the great imam, Ayatollah Khomeyni.

(Editor's Note: there must be a fundamental distinction here. The general leader follows Sunni Muslim teaching which opposes worship of the Imam and the grant of forgiveness through the Imam. Conversely, these matters are very much encouraged in Shi'ite teaching.)

Why is the position of general leader important? There were people attending the National Conference who say that the PPP at present is theoretically the alternative to GOLKAR [Functional Groupings, the focus of government political activity]. Meanwhile, in accordance with the results of the last two general elections, speaking objectively the NU may be called the principal element in the PPP. The most influential group in the central organization of the PPP is the Advisory Council of the NU. "The problem is that the ulama who are members of the Advisory Council of the NU have the right to determine whether the NU will participate in a general election or in a cabinet," said Dr Tolchah Mansoer. "The Advisory Council can be compared with the legislature of a country. And the Tanfidziah is like the executive branch."

The fourth chairman of the Executive Council of the NU, Machbub Djunaedi, said that in the NU there are two bodies which parallel each other vertically. The Advisory Council handles religious questions, and the Tanfidziah provides the daily leadership, handling social and political matters. Although they are at the same level, if the Tanfidziah should say "B" and the Advisory Council should say "A," what would be in effect would be "A."

That is why the general leader who is chairman of the NU Advisory Council (which consists of 20 elected religious leaders [kiai]) holds a decisive position for the advancement of the PPP at critical times. This is especially the case at the time of general elections.

At present the general chairman of the Executive Council of the NU is K H Idham Chalid. And the position of general leader is held by K H Ali Ma'shum. This means that the leader who has the veto right is K H Ali Ma'shum. "If now K H Ali Ma'shum, as general leader, should order me to jump into a well, I would do it," said Jusuf Hasyim. "That is in my cultural outlook. Members of the NU expand in such a culture."

It once happened that all decisions of the Executive Council of the NU, which had been decided on carefully, were declared to be no longer in effect, at the stroke of a pen, by a general leader. The decisions were considered to be in conflict with religion. It is hoped that a general leader will be able to demonstrate his leadership, particularly in difficult times.

The senior ulama, K H As'ad, the director of the Asem Bagus Pesantren [Asem Bagus Religious School] in Situbondo, had occasion to picture for us what a candidate for the position of general leader should be. As an ulama known to follow a "hard" line (and who once turned down the position of general leader), he said, "A general leader must have charisma. However, beside that a candidate for the position of general leader must also have the qualities of a commander," he said. There are many senior NU ulamas who have prestige but do not have the mark of a commander. K H As'ad did not attend the National Conference at Kaliurang, but his message was used as a guideline by most of those attending the National Conference. K H Ali Ma'shum was regarded as the proper person to hold the highest position in the NU.

K H Ali Ma'shum once had also turned down that position. However, under pressure from those attending the conference, he finally agreed to accept it. According to observers, usually in the NU when there is an election for the position of general leader, people say, "Not me." This is different from the post of general chairman of the Executive Council of the NU. If a person is chosen for that post, he says, "I must accept."

"I am a natural kind of person," said the new general leader, in an interview at his religious school. The "Al Munawir" religious school is located on a parcel of land of two and one-half hectares, 9 kilometers south of Yogyakarta. Now 66 years old, he had just finished sweeping the verandah of his home, an attap building in the middle of a pious residential district, which has a population of 800 people.

He first studied under the direction of his father, K H Ma'shum, at the Lasem religious school, where the students lived on the premises. At age 16 he moved to the Termas religious school in Pacitan. There he was already regarded as a leader by the other students and given the nickname of "Village Chief of Termas." Then he moved again to study under K H Munawir in Krapyak. Because he was one of the most intelligent students, he was chosen as a son-in-law by this teacher. After visiting the Muslim holy land several times, finally he was assigned by his father-in-law to be the director of the Krapyak religious school. Since 1956 the school, which previously had space for only 90 students, finally was able to produce about 1,340 experts in the Koran, who are spread throughout Indonesia.

This ulama, simple in manner, full of a sense of humor, who, according to his students, likes to listen to Indonesian popular songs, gives the impression, on better acquaintance, that he is like a "stone" carefully wrapped in cotton wool. "Perhaps I was chosen because I am known as an ulama who often writes pamphlets," he said, with a hearty laugh. "Usually, I express my views in a pamphlet. Then I send it to community leaders and other religious figures. For example, concerning the holding of a general assembly of the World Council of Churches. Basically, at the time, I said that it was not possible to ensure security for holding a conference of that kind in Indonesia. That became a general view. At the time the Muslim community in Indonesia was regarded by the followers of other religions as the most tolerant."

Furthermore, when Prof Dr Mukti Ali planned to print the Koran in Latin letters, again K H Ali Ma'shum prepared one of his pamphlets. He strongly opposed the effort to turn out this new edition. Both from the point of view of law, history, and politics, as well as from the point of view of the consequences--for example,

that it might be turned into a container for peanuts. Kyai Ali presented all of that as a reason for opposing the proposal of the Ministry of Religion.

Again, in the case of his opposition to the Marriage Law, he defended his views in pamphlets. Basically, the NU community at the time was ready to go to jail in the defense of their religion, Kyai Ali said.

What is the view of the former minister of religion, Dr Mukti Ali himself? As a man who is close to the NU as well as the Muhammadiyah [Muslim Brotherhood], Mukti Ali said: "The appointment of Kyai Ali was the right step. Kyai Ali does not belong to the Muslim fundamentalists. He is a moderate, compared with K H As'ad of Situbondo, for example. Besides that, K H Ali Ma'shum can be accepted by the Muhammadiyah. I myself was a student under Kyai Ali."

Kyai Ali has often conducted a dialogue with national leaders of the Muhammadiyah. "We consider that questions which could cause divisions within the Islamic community must be discussed openly," said K H Ali Ma'shum. A teacher who is a member of the Muhammadiyah in Yogyakarta said, "with the NU increasingly liberal and the Muhammadiyah increasingly conservative, there was a meeting place for the 2 organizations. And the process has already begun at the present time. On both sides there are elements which want to get together, and they are becoming more numerous with every passing day."

#### There Is No Longer a Great Leader

In connection with the National Conference of religious leaders at Kaliurang, apart from the opportunity to become acquainted with the new general leader, people also had the opportunity to become acquainted with the Jam'iyah, or the organization which will be led by K H Ali Ma'shum. According to its history, the NU was formed by ulamas of the Ahlul Sunnah Wal Jamaah religious school (following the Sunni variant of Islam) on 31 January 1926 in Surabaya. One of the founding ulamas was K H Hasjim Asj'ari, who held a central position. He functioned as a link for other ulamas because of his charisma, his age and piety, as well as his knowledge of religion. With him in attendance the NU movement gained a psychological benefit because the name of Asj'ari recalled the followers of the Great Inam al Asj'ari, the founder of the Ahlul Sunnah Wal Jamaah, K H Hasjim Asj'ari, the elder brother of the columnist, Abdurrachman Wahid, who finally was appointed "Great Leader" of the NU. This is a title which, up to the present, no other ulama has ever dared to claim. The Nadlatul Ulama, which means "the resurgence of the ulama," was established for several reasons.

When the Masyumi [Indonesian Muslim Consultative Assembly] was established, the NU once joined that party. However, later on, in 1952, it split off from it. According to the NU Consultative Council for the Special Area of Yogyakarta, "the ulama at the time only functioned as an advisory body."

In 1955, when general elections were held for the first time, the NU surprisingly emerged as the third largest party, with 45 seats in Parliament.

After the "New Order" leadership was functioning smoothly, in 1971 general elections were held. The results of that general election placed the NU in position as the



largest party in Indonesia, among nine other parties, obtaining 10,213,648 votes. This was 3,258,096 more votes than the NU obtained in the general election of 1955, according to the official statement of the Executive Council of the NU to the 57th national conference of the NU. The number of the NU representatives in Parliament after the 1971 elections was 58, but after the general election of 1977 this total dropped to 56, because 2 seats were given to members of the PPP [Development Unity Party].

Regarding the various factions within the NU, according to a representative from West Java, it may be stated that there are "roughly" three. First is the faction from Jombang and Jember which, historically, dominated the NU until the National Conference in Kaliurang. The second faction consists of the ulamas from the religious schools of Central and West Java. The third faction consists of ulamas from outside of Java. However, according to Abdurrahman Wahid, such a division is slowly disappearing because many students from outside of Java are now studying at religious schools in East, Central, and West Java. Indeed, according to Prof Dr Mukti Ali, family ties between the ulamas from Banten to Madura are very close. Therefore, according to Dr H M Tolcha, it is very difficult to be in the opposition in the NU, in view of the family ties. However, he rejects the view that there are "aristocrats" in the NU. An NU leader may emerge only because of his piety, his knowledge of religion, or his leadership capacity, but not because of the religious school he attended or his family.

#### The NU Challenge

In the past week two conflicting statements came out in succession from organizations of ulamas. The first one came from the National Conference of NU ulamas at Kaliurang, which issued a statement that candidacies for the presidency must be presented constitutionally. The conference also issued a statement that additional titles for the president such as "the father of development" were not needed.

Differing from the statement of the ulamas was the statement issued by the Ansor Youth Movement (the younger generation of the NU) at its seventh general conference in Semarang recently. This stated that the award of the title, "Father of Development," to General Suharto was proper and was not excessive. The Ansor Youth Movement hoped that the MPR [People's Consultative Council] would entrust national leadership under the fourth five-year plan to General Suharto. As a reason for this view the general chairman of the Ansor Youth Movement, Chalid Mawardi, said that an integrating factor was needed which could support national unity and union for the subsequent implementation of national development. It appeared that this factor was to be found in General Soeharto. The title of "Father of Development" should be given to General Soeharto as a figure who has performed useful services in national development. Chalid Mawardi did not regard this statement as in conflict with the decision of the ulamas at Kaliurang.

However, previously, K H Ali Ma'shum, general leader or religious leader of the NU Advisory Council who was just chosen at Kaliurang, stated that subordinate organizations like the Ansor Youth Movement also were obliged to respect the decisions of the ulamas. Why? Because the ulamas were the legacy of the prophet, said the NU general leader. It was also heard later that the general leader would hold a special meeting to review the attitude displayed by Chalid Mawardi.

Ultimately, is it possible that this difference of opinion within the Islamic community in Indonesia cannot be bridged? Usually, according to a teacher at the IAIN [State Islamic Religious Institute], differences of opinion occur in questions where there is bargaining for position. However, if they involve basic questions touching on religion or religious institutions, then the Islamic leaders can unite in a concerted way.

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REPORTER FINDS LIFE IMPROVING IN KAMPUCHEA

Stockholm VIETNAM NU in Swedish No 1, 1981 p 2

[Article by Bertil Ekerlid]

[Text] Together with Henrik Forss and the editor of this periodical I am sitting at an outdoor restaurant in Phnom Penh. We have ordered roast duck and rock lobster. It is a lively evening on this street which crosses Monivong, Phnom Penh's main street.

If anyone had said in November 1979, after our delegation went to Kampuchea, that roughly a year later I would be sitting at an outdoor restaurant in a vital Phnom Penh I would have rejected it as a Utopian vision.

The situation seemed so hopeless then that one wondered if this country could ever get back on its feet. Phnom Penh was largely a deserted city. There was no food in the country, no seed corn, no farm tools, no transportation means, nothing.

But a miracle has occurred. Thanks to a massive effort by various aid organizations--especially UNICEF--and a good harvest in 1980 the country has started to function again.

The destroyed medical clinic I visited with Marten Hauffman in November 1979, which was a complete wreck then, is now being operated by the Kampuchians as a dental clinic.

The poorly-equipped hospital we saw in 1979 has now been supplied with materials from the various aid organizations.

Everything seems to have started up even though of course there are still shortages in many areas.

But the Phnom Penh that was a ghost town in November 1979 has come alive. With markets, businesses, cyclists and cars on the streets.

6578

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## REPORTER IMPRESSED WITH NATION'S PROGRESS

Stockholm VIETNAM NU in Swedish No 1, 1981 p 3

[Article by Maud Sundqvist]

[Text] Like Bertil Ekerlid I visited Kampuchea in February. At that time the harvest was almost over and there was enough food. Foreigners in Phnom Penh had started to talk about the "Kampuchean marvel."

I came to Kampuchea with TV pictures of starving people pulling themselves along the streets in the back of my head. Now in February 1981 there are no "wandering skeletons" to be seen.

Now farm carts with timber and water casks, baskets and food of all kinds are rolling into Phnom Penh and the marketplaces. These are carts drawn by slow-moving oxen or briskly trotting little horses and they are loaded with sacks of rice, beans, watermelons, pineapples, bananas, coconuts, lettuce, cabbage, tomatoes, pumpkins, dried fish, pigs and so forth.

Motorcycles and ordinary bicycles come by with bundles of poultry strapped to the baggage carrier. The poor geese have to bend their necks up to avoid hitting their heads on the road.

### Picture of Hard Work

A hundred-mile roundtrip in the countryside shows a picture of hard work. The rice had been harvested and they were threshing it. Under the farm huts which are set up on piles stood sacks of rice in big heaps.

In 1980 rice cultivation doubled compared with the previous year, "Year 0." Now the goal is to further increase the area under cultivation by 20-30 percent. The people already have more to eat in Kampuchea than in Vietnam. And if one believes the official statistics Kampuchea produced twice as much rice per inhabitant last year as China did.

According to official statistics rice production in 1980 per inhabitant was: 146 kg in Kampuchea, 139 kg in Laos, 92 kg in Vietnam and 69 kg in China.

### Gap of 6-8 Weeks

But even though Kampuchea had a good harvest in 1980 it was not enough. It will take at least 100,000 tons of rice to feed the population, now stated to be 5,756,000. This means that there is a rice shortage corresponding to 6-8 weeks' consumption. So toward late fall people will go hungry if the foreign aid dries up.

One should also bear in mind that the 1980 rice production was only about 40 percent of the prewar production. Kampuchea was exporting rice then.

The situation now is anything but stable. There are no reserves. If there is a drought hunger will return. There is a shortage of draft animals. An animal epidemic would be devastating and cases of hoof-and-mouth disease have been reported.

### Fragile Miracle

The people are fragile, both physically and mentally. It is amazing they have been able to return to work so quickly. But many get tuberculosis and malaria. In the rainy season there is a lot of dysentery. There is a danger of cholera.

There is still fear of the Pol Pot people who are getting new weapons from China. As long as this traffic continues people can't feel safe in Kampuchea.

The fragile miracle will continue to be threatened for a long time to come.

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RED CROSS GENERAL SECRETARY MY SAMEDY DISCUSSES WORK

Stockholm VIETNAM NU in Swedish No 1, 1981 pp 9-11

[Text] The Kampuchean Red Cross has resumed its work. "It is not our fault that activities were halted for 4 years," said general secretary Dr. My Samedy, who is also head of the medical college. He has now been elected to the national assembly along with Red Cross chairman Miss Phlek Phiroun.

Dr. Samedy told of work by the Kampuchean Red Cross which assists returned refugees, builds model villages and involves many people in volunteer projects.

We resumed our activities on 15 May 1979. Our building had been completely destroyed under the Pol Pot regime. It was overgrown and filled with trash and dirt. All documents had been destroyed. Even our sign had been destroyed. There we started by cleaning up and clearing out the rooms and looking for tables, chairs and other equipment. Then we could start to work.

Of the active Red Cross members before 1975 only the chairman, Miss Phlek Phiroun, is left. All the rest were killed, murdered. Some can be found on the lists at Tuol Sleng Prison.

When the Revolutionary People's Council, that is President Heng Samrin, decided that Kampuchea's Red Cross should be reorganized we formed a committee of 10 people. This group has cooperated with the International Red Cross and with sister organizations in socialist countries on relief work.

Then we formed local committees in the provinces. There are now 12 of these. For example the Red Cross committee in Phnom Penh has 2000 members who work without pay.

After the Pol Pot nightmare our Red Cross has an enormous job to do. The first thing is to help people return to their home towns. It was very hard for us with all those who wandered from north to south, from west to east. All they owned was the clothing on their backs, perhaps only a pair of ragged pants. There wasn't even rice to eat.

We helped as much as we could. The first aid also arrived from the Vietnamese Red Cross: medicine, equipment, food. We passed out bedding, mosquito nets, clothes and enough rice to enable people to walk the long way home.

Then came aid from the socialist countries, primarily the Soviet Union. Help from the international organizations did not start arriving before August 1979.

Since we lack doctors the International Red Cross committee has sent doctor teams. We now have a team from the Soviet Union which is working in Tak Hmau just south of Phnom Penh, one from the German Democratic Republic in Kompong Thom, one from Poland in Kompong Speu and then the Swedish Red Cross team which is working in Svay Rieng.

We have worked together with sister organizations in Sweden, France, Finland, India and other lands that have sent help. The chairman of the International Red Cross Committee has visited Kampuchea, as has a delegation from the Red Cross Societies' association (the League) and representatives from the Red Cross in Finland, the Soviet Union, Japan, etc.

We have been visited twice by Anders Wijkman, general secretary of the Swedish Red Cross, and its representative, Sven Rosen, has been here several times along with Sven Lampell. Right now the Swedish Red Cross is helping us build a home for children with room for a hundred young orphans and it is helping to repair the lecture hall at the medical college. Work on the lecture hall has begun and we expect to have it ready in a month. At the children's home we have set up sheds for construction materials which have just arrived at Cap St-Jacques (Vung Tau) in southern Vietnam. We think the work will be done before the rainy season.

The UN refugee commissariat has sent help to the refugees who have returned from Thailand, Vietnam and Laos. They reached an agreement with the Revolutionary People's Council that the Kampuchean Red Cross would distribute this aid. We have volunteers who go out and distribute the aid. Our central Red Cross organization and the provincial committees work together. In Battambang we have a very active committee.

The refugee aid is occurring in three stages and the first aid has now been distributed to 20,000 people. This involves mosquito netting, sleeping mats and cloth. We will now get going on the second stage and hand out kitchen utensils. Farming tools will come in the third stage.

Our work consists of much more. Our volunteers work with health care, perform mass vaccinations, hand out medicine and aid, sew clothes for orphans, train hygiene activists who can also give first aid.

One branch of activity is to create so-called model villages. Our volunteers go out and help people in the villages to build up health care. In Phnom Penh we have created six of these model villages.

I have started something we call the Young People's Red Cross. The core is formed by medical students and I have enrolled around 280 students in the work.



They work in the model villages, collect garbage and dig holes in which to bury it, build latrines, help out with agriculture--for example with the harvest-- and help distribute aid.

[Question] What assistance do you think you can get in the future?

[Dr. Samedy] We want to get aid from all countries. We have started a cooperation with the Japanese Red Cross and with the French branch which is engaging in the fight against TB here. They have made out a budget to fix up the old TB Institute. We are now waiting for the technical equipment.

When it comes to cooperation with the Swedish Red Cross we hope this can be developed further. We will go to Sweden at the invitation of the Swedish Red Cross.

In a few months our chairman will visit Geneva to discuss future relations with the International Red Cross Committee and the League. It may turn out there are more Red Cross branches that would like to work with us.

[Question] What is the position now? Are you members of the League?

[Answer] The Kampuchean Red Cross has been a member of the League since 1960. There was a break from 1975 to 1979 due to Pol Pot's genocidal regime. Then we were deported to various places.

Now the politics have been removed. In 1979 we went to the Red Cross League's general assembly in Geneva but the League did not recognize us officially. The imperialists and the Chinese hegemonists support Pol Pot's Red Cross--although it never existed. Kampuchea did not participate in the period 1975-79.

We represent continuity with the old Kampuchean Red Cross. The bylaws are the same, the headquarters are the same, the chairman is the same. If the committee members were still alive they would also be the same. But they were killed by Pol Pot. It is not our fault the activity was shut down for 4 years.

That is why we have asked to become League members but the vote went against us. That means the place will remain empty for the time being. We think that is a little inhuman. There is no principle to follow in our case but it is a question of continuity.

In the fall there will be a new general assembly in Manila. We don't know if we will be invited or not. And if we are invited--in what capacity will it be? We don't know. If politics is not mixed into it people will vote for us. The League--and to a certain extent the International Red Cross Committee as well--approves of our activity. They see we are doing Red Cross work. We have good contacts with many Red Cross societies, though they are not official.

The International Red Cross will now conclude its relief work in Kampuchea since its job is to help people in catastrophe situations. When a country is out of danger the League takes over. That is why my chairman's Geneva trip is interesting. I think in the future we will cooperate bilaterally with the Red Cross branches in various western countries.



[Question] What kind of cooperation would you like with the Red Cross and other organizations in the West? How will the cooperation look?

[Answer] Mainly material help. That does not rule out our accepting personnel from friendly societies and from Red Cross groups in other countries if we lack experts. For example the French Red Cross is sending experts to combat TB. I can't say exactly how the bilateral cooperation will develop, if there are more Red Cross groups that would like to work with us. Discussions will show us that.

[Question] You have a picture of Buddha in the room. Does that mean you are a Buddhist?

[Answer] Yes, Kampuchea is a Buddhist land. Religion has now returned. But we must search through the rubble left behind by the Pol Pot people to find a picture of Buddha, for example. We found this among the refuse and brought it back. It weighs 200 kilograms.

[Question] Why are there so many with shaved heads, for instance in the hospital?

[Answer] There are several reasons. When somebody wants something he prays to Buddha for help in getting his wish fulfilled. Nothing is more costly than hair for a Buddhist. So one says to the Buddha picture: "If I am helped--get to see the family again, for example--I will sacrifice my hair to Buddha." If one of my children gets sick the doctors take care of it. But at the same time I pray to Buddha because the child is very dear to me.

In the Pol Pot period many people prayed for a savior, they prayed that God would help them stay alive. When FUNSK [expansion unknown] and the Vietnamese army rescued Kampuchea's people later on there were many--perhaps a majority--who shaved their heads.

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KAMPUCHEA

DEPUTY FOREIGN MINISTER HOR NAM HONG: ALL AID WELCOME

Stockholm VIETNAM NU in Swedish No 1, 1981 p 16

[Statement by Deputy Foreign Minister Hor Nam Hong to VIETNAM NU]

[Text] Of Sihanouk's ambassadors from the opposition government period, 1970-75, all but two were executed under Pol Pot and they are now part of the FUNSK [expansion unknown] leadership. One is the former ambassador to Cuba, Hor Nam Hong, now deputy foreign minister. He hopes for diplomatic relations and welcomes Swedish aid.

Hor Nam Hong made this statement to VIETNAM NU:

Starting this year we have an economic development plan and we are concentrating primarily on agriculture.

The most urgent assistance needs are in health care and education. Equipment is needed to develop farming--tractors, artificial fertilizer, pesticides and herbicides and other things. Help is also needed to start up industries that process agricultural products.

If Swedish aid is given it would be wise to concentrate on a few areas--for example health care and agriculture.

When we talk about realities in Kampuchea we cannot ignore the barbarity under the Pol Pot regime. If one doesn't know about that one thinks the situation in Kampuchea now is not so remarkable compared with that in other countries.

The Pol Pot years left deep scars on all our people. This isn't felt quite as strongly with foreigners. But as soon as we get together in the family or among friends we come back to it again and again. One sees children playing and people laughing--but what have they experienced?

We want peace in which to rebuild and we are not looking for trouble with any country, especially our neighbors in Southeast Asia. Here we want stability and peaceful cooperation. We don't understand how some countries can condemn the Pol Pot regime's genocide and at the same time work for the return of the Pol Pot people so they can resume their mass murders.

Now Son Sann's and Sihanoukh's names are being used but they are just cards in a game based on a "Pol Potism without Pol Pot." This just serves the hegemonistic policy of Peking and creates tension in Southeast Asia between us and the ASEAN lands. Without this tension China couldn't intervene. Thailand's policy serves China's interests more than it does that of the people of Thailand.

The Pol Pot people, the Khmer Serei, Son Sann, China, Thailand--it is those we call reactionaries, who are working together against us in order to sabotage our peaceful development and our revolution.

But their intrigues are useless, the situation here is irrevocable in the sense that neither Pol Potism nor other reactionary forces can return and seize power in Kampuchea. Never.

At the meeting of Indochinese foreign ministers in Ho Chi Minh City in January we made concrete proposals to get negotiations with the ASEAN countries going. We want Southeast Asia to be a zone of peace, stability, safety and cooperation in spite of different systems of society. This is no political tactic, we really want peace. We need peace. The same is true of Vietnam.

We would be grateful if you would explain what the situation in our country is really like and that we want peace to rebuild after all the destruction wrought by the genocidal regime. We also hope that normal relations can be restored between us and Sweden as soon as possible.

All assistance is welcome in the hard times being encountered by our people--on condition that it is not bound by political conditions. So far we have not listed what we wanted but have left it up to donors to decide the extent to which they can help out in the areas of health care, education and the social sector--especially with regard to orphans. This also applies to friendly nations.

6578

CSO: 8050/0261-A

BRITISH JOURNALIST SEES ZIA 'STRONGER THAN EVER'

Islamabad THE MUSLIM in English 11 Nov 81 p 8

[Text]

ISLAMABAD, Nov. 10: President Ziaul Haq's position is "more stable at the moment" than ever before, a British newspaperman said over the weekend after touring Pakistan.

David Dodwell of 'Financial Times', who returned to London from a visit to Pakistan replied to questions by Richard Openheimer in the South Asia survey of the BBC about the present-day situation in Pakistan, broadcast on Nov. 7.

Asked about President Zia's position at the moment, David Dodwell said:

"It is my own impression that Zia is probably more stable at the moment than he has ever been. He certainly feels that for himself and I think there are many good reasons for him to believe that.

The economy is in better shape than it has ever been and after four good harvests, the country is now self-sufficient in wheat and may even export wheat this year which is perhaps something which would not have been conceivable three years ago. Money is pouring in from the Gulf States which is making the poorer regions of Pakis-

tan, the Frontier province and Baluchistan, much wealthier than they have ever been. So, materially, the country is doing much better than you could have expected two years ago and much better than any of the ordinary Pakistani people could have expected. I think Zia feels that this has given him a degree of support or at least has foiled political opposition in the country".

Asked whether President Zia would go ahead with his programme to create a Federal Advisory Council, Dodwell said:

"I think that according to latest indication from Zia, he will firmly stick with his intention to introduce his Council. He will probably try to have it in position by the end of this year".

Dodwell also pointed out that the President was paying a good deal of attention to the rural areas. He was "channelling substantial funds for developments in the rather backward areas of Pakistan, Baluchistan and the NWFP".

Dodwell thinks that the creation of Regional Councils a year ago and the proposal for setting up a new Advisory Council were steps towards achieving the goal of Islamisation. -APP

CSO: 4220/96



PUNJAB MINISTER DEPLORES IBRD 'INTERFERENCE'

Islamabad THE MUSLIM in English 11 Nov 81 p 8

[Text]

LAHORE, Nov. 10: Punjab Finance Minister Nazim Sharif admitted at a Press conference here this afternoon that World Bank's interference in the working of Water and Sanitation Agency of the Lahore Development Authority was on increase.

"The IBRD tells us what should be an establishment's strength, who should be what and what should be the salary bill", he said referring to World Bank's dictates and added that though WASA was over-staffed the strength of its directors still fell 30 per cent short of World Bank's demand.

The Minister said acceptance of

such suggestions from the World Bank meant a great increase in overhead expenses of WASA while their rejection was not acceptable to the World Bank people. He agreed with a questioner that they (World Bank authorities) were after the government for increase in water rates. Their suggestions and recommendations were however, accepted when found proper, he said.

Mr. Sharif said the government was not prepared to give millions of rupees subsidy to WASA on account of its overhead expenses and wanted to turn it into a self-generating concern. But a subsidy would be provided when genuinely needed, he added.

He disclosed that 37 per cent of

the city's water was going waste. Fifteen per cent of this amounted to water theft, another 15 per cent to distribution losses and seven per cent to leakages.

He also announced the government's decision to revert to water rates as decided by the budget meeting in July this year and accordingly freeze all other increases. These rates had increased between paise 50 and Rs 2 per month. Other increases in water billings would now be adjustable.

He insisted that water rates in Lahore were still the lowest in the country and the service the longest but admitted that water supply remained disconnected at places for days, sometimes as long as a week.

CSO: 4220/96

## INDIAN JOURNALIST'S CRITICISM OF GANDHI NO-WAR PACT REACTION REPORTED

Karachi DAWN in English 12 Nov 81 p 4

[Text]

ISLAMABAD, Nov. 11: The way Mrs. Gandhi reacted first to the reduction of arms and now to the no-war pact offer makes her vulnerable to the charge that she has a vested interest in keeping the Indo-Pakistan pot boiling observed Kuldip Nayar in an article published by the "Tribune" on Nov. 5.

Captioned "Zia's offer: war and peace", the article says, "Mrs. Gandhi has said that Pakistan's offer of a no-war pact was 'intriguing' and could be a 'trap' but has not explained why it should be so. Until a few months ago India was all for such a pact and had used different forums in the world to chide Pakistan for not accepting it, and now it is all against it. This is no less intriguing. Referring to the Indian claim that Pakistan was acquiring large quantity of modern arms, Nayar says this 'is an added reason why there should be a no-war pact between the two countries. After all, Delhi is not sitting idle. It is acquiring the Mirage-2000 over and above what it has, including the Jaguars and the MIG-23s. The pact is not going to lull it into complacency. Therefore, Mrs. Gandhi's hesitation is rather surprising'.

The article further says, Gen. Zia has even proposed a proportional reduction in forces and armaments on both sides. Delhi has not even asked him for elucidations which it has at least done in the case of the no-war pact offer. It may be argued that India's commitments are heavier because of its unresolved borders with China. But this can be argued out at a meeting of the commanders. Beijing itself wants rapprochement between Delhi and Islamabad.

Some kind of equation with Islamabad would also help India in its Hindu-Muslim problem which has got inextricably linked with relations with Pakistan. The way Mrs. Gandhi has reacted first to the reduction of arms and now to the no-war pact offer makes her vulnerable to the charge that she has a vested interest in keeping the Indo-Pakistan pot boiling. It can divert the people's attention from problems concerning their day to day living. Gen. Zia's offer deserves consideration, but closing the door straight away is not even good strategy", the article says. —APP.

## JOINT VENTURES WITH CANADA PROPOSED

Islamabad THE MUSLIM in English 10 Nov 81 p 8

[Article by Jawaid Bokhari: "Wider Cooperation for Joint Ventures Likely"]

[Text] Karachi, Nov 9: The Chairman of Canada-Pakistan Economic Council, Gaetan Lavalee, flew into Karachi this morning with proposals for joint collaboration in some 20 projects ranging from development of oil and gas to aircraft industry.

Mr Lavalee later told the Federation of Pakistan Chambers of Commerce and Industry that these proposals brought by him were formulated within a week of his departure from Canada to Pakistan. He expressed the hope that the private sector would help him materialise these projects.

Since the inauguration of the Canada-Pakistan Economic Council by Finance Minister Ghulam Ishaq Khan on Oct 8 last, 40 firms and individuals have become members of his organisation. And exactly a month later formation of the Council, he said, he was here to study the prospects of expanding trade and economic ties between the two countries.

Mr Lavalee hopes to see the Finance Minister and discuss with him the scope of expanding ties between Canada and Pakistan. He said there was scope of collaboration in oil and gas development, hydro-electric power, metallurgy and mining, forest management, tourism, manufacture of industrial and electrical machinery, aircraft industry and consultancy.

The Council chief advised the Federation of Pakistan Chambers of Commerce and Industry to set a similar body so that the two could cooperate in improving trade and economic ties.

He told Pakistani businessmen that his organisation would work for relaxation of restrictions and liberalisation of quota for textiles to boost up Pakistani exports. On the basis of six month's performance, Canadian exports to Pakistan would amount to some 80 million dollars against imports of some 21 million dollars in 1981.

Pakistani businessmen at the FPCCI meeting urged the Council President to help Pakistan boost exports so that Pakistan could repay the Canadian loans and credits that finance roughly half of its exports to Pakistan.

Mr Lavalee said the guarantees provided by Islamabad for repatriation of capital and profits would help attract foreign investment.

He also called for a series of steps to forge closer trade and economic ties between the two States. They included, holding of seminars, exchange of businessmen's delegation, and provision of detailed information of about Pakistan in Canada.

Mr Lavalee revealed that he had suggested to the Resource Development Corporation ways and means by which they could implement the 400 million dollar Saindak Copper Project through a group of Yugoslav-French and Canadian firms.

Earlier, the FPCCI chief, Mohammad Yusuf Zia, stressed the need for transfer of technology from the developed to developing States that is becoming increasingly difficult because of the rising costs involved in the process.

CSO: 4220/95



SHIPPING CHIEF IN POLAND FOR NEGOTIATIONS ON SHIP DELIVERY

Islamabad THE MUSLIM in English 11 Nov 81 p 1

[Article by Jawaid Bokhari]

[Text]

KARACHI, Nov. 10: PNSC Chairman Rear Admiral Abdul Waheed Bhombal reached Warsaw today at the invitation of the Polish State enterprise 'Centromor' to negotiate delivery of three ships built by the yard for Pakistan, it was learnt here today.

The invitation of the Polish authorities follows the order of the London High Court to Centromor not to resell the vessels and maintain status quo till their delivery to PNSC.

A PNSC source said that it would get the three ships seized in case of resale. The PNSC has already informed all shipping brokers in the U.K. about the London High Court injunction on a suit

filed by the Corporation.

Under the contract signed between the two organisations in January 1979 disputes in the agreement are to be resolved through arbitration under the English law. Negotiations for construction of eight vessels under a Polish credit were also conducted in London.

The Polish shipyard has held up delivery of the three vessels on the plea that it would sell the vessels on cash basis instead under credit as stipulated under the contract signed between the two sides because of a worsening food and economic situation in Poland.

PNSC has paid 5-1/2 million dollars as down payment in accordance of the terms of the contract

and had also agreed late last month to pay 10 per cent more than the agreed price for the vessels despite the absence of an escalation clause in the agreement. The Corporation was motivated in doing so because of the food shortages being experienced by the Polish people.

Three vessels were to be delivered by November 1981, the first one in March, and the second on Oct. 26. But one day before the delivery date of the first two vessels in October, the Polish government decided to ask for cash against delivery and annulled the contract for deferred payments.

A 70-man crew of the Pakistani shipping Lines is now in Poland awaiting delivery of the vessels.

CSO: 4220/96

**PLOT FORMED IN INDIA AGAINST PAKISTANI REACTOR 'HAS ISRAELI AID'**

Lahore CHATAN in Urdu 3 Aug 81 pp 13-14

[Article: "Israeli Agents in India: Plans for Destroying Pak Nuclear Capabilities"]

[Text] With reference to the BBC report that plans for the destruction of the only nuclear plant in Pakistan have been made in India, Hindu imperialists consulted Jewish imperialists and also consulted the Russians and their agents in Kabul. However, this dirty plan has not been executed so far. This does not mean that the plan has been abandoned. It is possible that secret preparations for the execution of the plan are underway. Or it is possible that the plan has been postponed temporarily since, in the opinion of the planners, the opportune time for its execution may not have come yet. After the successful attack on the Iraqi nuclear facility by Israel, the possibility of such an attack on any Islamic country cannot be ruled out.

The United States and other imperialist powers made Israel a nuclear power by secretly supplying the necessary material. India conducted a nuclear explosion in 1974 and yet not a single voice has been raised against it from any quarter. Nor was the Indian nuclear bomb dubbed a "Hindu bomb." Pakistan has said time and again that it needs nuclear power for peaceful purposes and yet its program is seen as an "Islamic bomb" in Washington, London, New Delhi and Moscow. There has been a lot of misleading and venomous propaganda against Pakistan's peaceful nuclear program. It is no coincidence that the highest levels in Moscow, New Delhi, Washington and London are equal participants in this. This is a carefully considered plan. The enemies of Islam do not want any Islamic country to develop a nuclear capability. This is a joint mission of those powers that oppose Islam. But it is regrettable that Moslems are not united against the common enemy. Believers in one God, Prophet and Quran are divided into various sects, factions and parties. Their strength has been converted into weakness by selfishness and greed.

Even prior to the attack on Iraq by Israel, the possibility of destroying the Pakistani nuclear plant by attack or force was discussed in Washington. Now the news has been received that such a plan exists in New Delhi. Under the present circumstances, only alertness and preparedness on the part of the protectors can render the dirty enemy plans unsuccessful. To sabotage a peaceful Pakistani nuclear program, destructive actions as well as an external attack could be used. Pakistan needs to be wary of untrusted friends. It should not overlook the fact

that Indian elements planning against Pakistan have consulted Jews, and Jews make the policies in Washington. Getting a few weapons from Washington amounts to no more than a mere hope for the future right now. In view of the hue and cry on the part of Indira Gandhi and the Jewish influence in America, not much faith can be put in the promises and pronouncements of the American Government. India has illegally occupied the Bangladesh island of Til Pati and now it is threatening Bangladesh itself. International organizations, laws and principles are a mere hoax.

The practical reality of life is in the adage "might is right." India devoured Hyderabad, Junagarh and various other states, and also took over Goa. Nobody could do a thing about it. Now it has illegally occupied a part of Kashmir, so that even a reference to the Kashmiri issue offends India. In such circumstances, how can a weak Bangladesh regain its island from India? Respect for international agreements are not words to be found in the Indian dictionary. Bangladeshis, who regarded India as their "sympathizer" and saviour, have come to recognize India's true colors. But it is too late now, since having been ensnared by India through deception they have converted East Pakistan into Bangladesh, which is much weaker and smaller than India. Now, try as they might, they cannot turn back the clock. They have come to their senses too late.

The news that Murtuza Bhutto, Mustufa Khar and their companions took a trip to New Delhi has been published citing the world's foremost sources. Why they went to India is not hard to understand. Their forbears broke Pakistan into two pieces. Then they planted the seeds of waywardness, destruction and devisiveness and chaos, and later they fled the country. What they needed to do was to ponder their own and their forbears' repulsive acts, learn a lesson and do penance. But they did not do so.

9859

CSO: 4203/4

# THREE ARRESTED, CHARGED WITH SUBVERSION

Islamabad THE MUSLIM in English 8 Nov 81 p 3

[Article by Anwar Iqbal: "Another Three of the Gang Arrested"]

[Text]

ISLAMABAD, Nov. 7: Three more members of the group involved in distributing subversive literature have reportedly been arrested.

It is said that these three persons—whose names have not yet been disclosed—were hauled up from a house on the Margalla Road by CIA police.

Police, when contacted, refused to confirm or deny the report. However, they said that they had expedited their action against the subversive elements.

It may be recalled that five men and a woman have already been apprehended by police in this connection. Three of them—Jamil Umar, Dr. Saleem and Tariq—were

affiliated with the Quaid-e-Azam University while the fourth — Uzaar Kamal—was related to a teacher of the same University. The girl was stated to be working for a foreign mission in Islamabad.

In last night's raid, Police also recovered different kinds of subversive literature, including books which are banned in the country, underground magazines, pamphlets and handbills.

Meanwhile, the couple arrested on Tuesday night from a house in Sector F-8-1 for taking alcohol has been bailed out by the Sessions Judge, Khawaja Khalid Paul, on interim bond. They had earlier been

sent to the jail on 14-day judicial remand by the City Magistrate, Nagrullah Chatha.

The couple was taken into custody from the residence of a teacher of the Quaid-e-Azam University when it was raided by police after being tipped off by one of the accused held earlier.

However, none of the three other accused—Jamil Umar, Saleem and Tariq—have so far been produced before a court as police were still busy in making a challan against them. They will have to be produced before the District Magistrate for granting physical remand or sending them in judicial lock-up.

CSO: 4220/95



SHAHI TO VISIT INDIA BEFORE YEAR'S END

Karachi DAWN in English 13 Nov 81 p 1

[Text]

ISLAMABAD, Nov 12: Mr Agha Shahi, Foreign Minister of Pakistan, is expected to visit India sometime before the end of this year in response to the invitation of Mr Narasimha Rao, Indian Foreign Minister, which he extended when he came to Islamabad in June.

Mr Riaz Piracha, Foreign Secretary, who made an overnight stay in New Delhi earlier this month while going to Kathmandu to attend the regional Asian Foreign Secretaries conference, had met Mr R. D. Sathe, Indian Foreign Secretary, and held informal meetings with him.

The President, Gen Mohammad Zia-ul-Haq, had recently told an Indian journalist that the Foreign Secretary who was then due to visit New Delhi on his way to Kathmandu, might possibly elaborate on Pakistan's non-aggression pact offer to Mrs Gandhi, Indian Prime Minister. The President's observation was apparently with reference to a spate of highly confusing and wrapped news from the Indian capital suggesting that no formal

offer had been received from Islamabad.

However, since then the Indian Embassy in Islamabad had made a statement admitting that Pakistan had communicated its non-aggression pact through the Ambassador to the Indian Government in September.

Informed sources however, point out that it is not correct as reported by some Indian newspapers that Pakistan had offered joint defence with India together with non-aggression pact. It is stated that it was hypothetical to talk of joint defence at this stage when as a matter of fact India has not even formally acknowledged Pakistan's offer which implies comprehensive discussions between the two governments about the nature and scope of a non-aggression pact.

It is further understood that the present offer to India is a new initiative by Islamabad and not related at all to the 1959 offer made by the late President, Field Marshal Ayub Khan, in the context of an entirely different geopolitical situation.

ISLAMIC CHAMBER TO EXPLORE JOINT VENTURES IN MUSLIM WORLD

Karachi DAWN in English 12 Nov 81 p 7

[Text]

Representatives of the Islamic Chamber of Commerce Industry and Commodity Exchange will start visiting member countries from this month to explore possibilities of increased cooperation and joint venture in the Muslim World. Secretary-General of the Chamber, Mr Sami Onaran, said in an interview with Radio Pakistan yesterday.

The President of the Chamber, Mr Abu Dawood, will cover Middle-East, Assistant Secretary-General, Mr A. Dat, will visit Africa, Assistant Secretary-General, Mr Agha Ghouse, will visit Indonesia, Malaysia and Bangladesh.

He said that the next General Assembly of the Islamic Chamber will be held in February next in Casablanca, Morocco.

The Secretary-General, who recently visited Morocco to finalise arrangements of the General Assembly, said the representatives of the National Chambers of Muslim countries would also be invited at the Casablanca conference.

He said a forum of the representatives of trade and industry would thus be formed to discuss increased trade and joint venture possibilities among the member countries.—PPI

CSO: 4220/98

# MULTIPURPOSE BRIDGE OVER INDUS DESCRIBED

Islamabad THE MUSLIM in English 5 Nov 81 p 6

[Text]

MUZAFFARGARH, Nov. 4: A modern multi-purpose 3410 feet-long bridge over the river Indus near Ghazi Ghat, Muzaffargarh is being constructed at cost of Rs.26 million under the supervision of Pakistani engineers and designers.

Briefing the Press correspondents who visited the site the Executive Engineer Bridges, Naasim Uddin said Pakistani engineers were performing an engineering feat by narrowing down the 14 kilometer wide Indus to only 3.410 feet with the help of spurs and guide banks. He said this bridge would be able to pass more than 10 lakh cumecs of water during the highest flood days while the past the highest flood recorded was 6.5 lakh cumecs.

He said work on this project was in progress round-the-clock. The government had provided

Rs.45 million for the current fiscal year.

With the completion of this project the distance between Multan and D.G. Khan would be reduced to 93 kilometres and guide banks would check the soil erosion near Drahma and fallow land would also be reclaimed by driving the flow of water.

He said the bridge would cross the river in 22 spans and the foundation of each span would be 134 feet deep.

He said 10 miles long approach road would be constructed on both sides in two phases. He said a laboratory was functioning at the site to examine the quality of material and its resistance while some other official laboratories were also co-operating in this task.

-PP1

CSO: 4220/95

# DUPLICITIOUS POLITICIANS CAUSE PUBLIC DISILLUSIONMENT

Lahore NAWA-I-WAQT in Urdu 23 Oct 81 p 3

[Article: "Politicians, People At Opposite Ends of the Pole"]

[Text] Before writing these lines, I was reading "The Political Diary of Karachi," which is published in this issue of the magazine. In it, one of the Muslim League leaders, Mr Khwaja Khairuddin, has been quoted as saying: "The apathy that is found among people today can be very dangerous because it can be very injurious for people not to take an interest in anything."

Prior to this, Mr Khwaja demanded in this very diary that a national government be established.

Mr Khwaja is a seasoned politician and it is said that everything is possible in politics. In other words, a good politician is like a weather vane, turning with the wind. This style of politics is not prevalent among the countries from which we have learned the art of democracy or taken our model of politics. If you look at the political parties or politicians of these countries, it will be clear to you that every party, and the politicians connected with it, has a consistent viewpoint, one that represents an individual approach toward the issues of the nation. Parties do not break up overnight and have new parties born out of them, nor is it the custom for a politician to leave his party and join a party in the opposite camp. Undoubtedly, there must be a great deal of strife among the parties there as well, but the people neither change their parties nor their viewpoints, whereas in our country parties and viewpoints are changed as people change their clothes. If you look at it carefully, it appears that there are neither principles nor viewpoints. Therefore, they move in a direction from which it is possible to derive benefits. If they do not succeed in deriving the benefits, then they make a big hue and cry. We have seen such politics for years and years and politics has been presented to us in such a way that it seems to be another name for "lie". The real difference between various political parties is one merely of personalities, not of programs. What a party will do if it comes into power, nobody from the party seems to spell out. If it is spelled out, then it does not go beyond campaign slogans. If old slogans lose their attractiveness after a few years, then new slogans are created. Sometimes "the cause of the poor" and sometimes religion is exploited for political purposes. If governments change, then their influence remains confined to the upper strata. Government machinery is set up in our country so that its influences hardly reach the lower levels. It hardly affects the character of the officials in the lowest echelon.



However, Mr Khwaja's proposition that people are apathetic is worth examining.

True, people are apathetic, but toward whom? Nobody can be apathetic toward his own issues. They cannot be unconcerned about issues such as health, employment, education, justice, the distribution of resources and so forth. The future of the country, strangers on the borders and the issues confronting the dear motherland are subjects of interest to everybody. There can be different viewpoints about the issues, but it cannot be said that people do not recognize the issues. In a country where in the hamlets, villages, farms, alleys and bazaars people say, "Will India attack us? Can we take Kashmir? Is there danger on the border of the Soviet Union? Will China help us?" accusing such people of being apathetic is very unfair.

Surely these masses are apathetic to those politicians who want them to come out of their houses, not for their own sake but for that of the politicians, to get beaten up, burn buses, wreak havoc and help in bringing about a change that might enable these politicians to capture power effortlessly. After coming to power, the politicians ask the masses to stop the riots and to sit at home and wait because the revolution has already taken place. This is the drama that political leaders have asked the masses to play time and again and with which we are very familiar. In the many years of our journalistic experience we have seen many people trying hard to enter the government, and after entering it, changing completely. These people who have criticized the lack of freedom of speech and publication and the maladies of the government, these very people oppose these criticisms once they become part of the government. People pursue altogether different policies and give strong arguments in their support, including the defense of the country, when they are in power. If we remind these people about their campaign promises and assertions, then they say that they were made in different times and now the country is passing through a crisis and a different kind of policy is needed. When they are asked to solve the issues, they say, "We do not have the genie of Aladdin that we can solve all the problems overnight." In fact, crisis never ends. Hardships never terminate. These are strange issues that, in the face of government activity, remain unresolved for years.

There is nothing wrong in coming to power and conducting the affairs of government. If a political party or a politician truly wants to implement his principles, then he needs the government. But is it not necessary for an individual or a party after it comes to power to bring about a visible change in the condition of the masses--make their lives better, alleviate poverty, provide better system of justice, provide equal opportunities for employment and so forth? Whatever the case, the masses should discern the change as tangible, otherwise they are justified in thinking that political parties differ from each other in name only. The mere switching of faces in the government does not do much good for them. A question can be asked of Mr Khwaja Khairuddin, and with reference to other respected politicians, whether there is a workable program for solving the problems of the people of Pakistan. Often parties amount to no more than one individual or his cabal. If somebody has any doubt about this statement, then he should tell us what the difference is between three types of Muslim Leagues. What is the difference between any Muslim League and Tahreek, Istiklal or Jamhuri Party. Similarly, what kind of blueprint for solving the national issues do the other parties have? If democracy is established today and a shadow cabinet is set up, then there is an institution that will be able to criticize its work with solid arguments. It is not true that in every age there have been more or less only

two parties, one the party in government, the other the party that is out. If you look carefully you will find common principles in the party in power and the party in opposition. In such a state of affairs, it is difficult to know who is where and what he wants; and whatever he wants, is it a short-range wish or a long-range goal; and whatever is being said, it is politics or permanent planning. Time after time people have seen these politicians become turncoats.

Who can deny this fact: Democratic institutions and democratic style alone can become a stable program of action for the country. But for this purpose, the trust of the people will be necessary, unfortunately something no politician or political party has. Our politics have done so many somersaults that we cannot understand them anymore. Don't regard people as apathetic. They see everything with open eyes. Before their eyes they see new alliances being made and old alliances being broken. Every activity is obvious to them and they will give their verdict when the time comes. Now the politicians should come out of the 18th century system of feudalism and should try to understand the problems of the 20th century with reference to people.

In the politics of the provinces, the masses are treated like sheep and decisions are made on the basis of family considerations of the elite.

If we did not recognize the changes that are taking place around us and did not give the masses their true place, and if by sitting at home we could change faces and take new positions and give such statements as "people are apathetic," then the harm in this would injure us rather than the masses, because true politics is like a fish that remains in that water that is called people. Provincial unity cannot be created through marriages, nor in the name of national government. Without establishing the rights by making a back door entry into the mansion of power, the issues of the country can be launched on the right track. The sooner this bitter reality can be brought home to our leaders, the better.

9859

CSO: 4203/13

BRIBERY, CORRUPTION CHARACTERIZE SUI GAS DEPARTMENT

Lahore CHATAN in Urdu 20 Jul 81 pp 18-19

[Article: "Corruption at Department of Sui Natural Gas Charged"]

[Text] God had given the gift of Sui gas to the people of Pakistan to benefit them. Unfortunately, God did not give any one individual enough sense and intelligence to ensure that this resource would be used for the public good. Initially, to get connected to Sui gas, a person had to pay only a small charge, but every government has continued to increase these fees. Now the situation is such that, in addition to legitimate and illegitimate expenses, a person has to deposit as security 630 rupees. Obviously, there is no logical reason for this. Anyway, if we were to complain about the high security deposit, we would do so to the authorities. Our present grudge is against those employees of the Sui Gas Department who, even after charging the designated fee and processing the connection papers, do not let the people enjoy the benefits of nature's bounty.

Allegedly, every high official or low-level employee in the Sui Gas Department has made it his birthright to take bribes. It is virtually impossible to get a Sui gas connection without giving a bribe. The officials of the Sui Gas Department, in conjunction with the contractors, have created a network of graft in which countless citizens have been trapped. The tragedy is compounded by the fact that, whereas some people can bribe their way out of this trap, many find it very difficult to do so even after they have paid a bribe.

The real reason for this is that the officials, from top to bottom, as well as the clerks, workers, and contractors, have become so addicted to bribes that they don't have the fear of God in them. One can even say that fear of God and the personnel of the Sui Gas Department are two diametrically opposed things. The fact is that an individual, acting against his conscience and against the law, can give the maximum amount of bribe and apply for a connection in the morning and have the radiant Sui gas flames burning in his house in the evening.

An applicant for Sui gas has to encounter many faces along the line. Some through their speech and some through their silence express only one thing. If you give some money, your work will be done. Otherwise, in spite of having met all obligations as an applicant and in spite of a proper sanction for a connection and all your rights, you cannot have gas to cook with.

Nor is it the case that you can get your work done simply by giving a bribe only once. If you bribe at one stage and not at the next, you will encounter similar kinds of obstacles, necessitating, in essence, bribery at every stage and laments and heartaches all along.

The question arises as to why, after processing an application and receiving the deposit money, the connection is not made within a week or so. Sometimes the delay lasts for many weeks, months, or even years. What is the legal or moral reason for depriving the Public in this manner? The simple fact is that an official can say, "You come and grease my palm and I will heat your stove."

Nobody knows how many people there are in the city who have been deprived of this basic necessity and victimized in this way. We are presenting photostatic copies of the application papers of such a victim. He has paid deposit money. His connection orders have been issued and, yet, he has not been connected so far because he has not offered a bribe to anyone. Why is this man being punished, and when will his punishment end? Nobody in the Sui Gas Department is willing to give a satisfactory answer; they can only say, after ransacking their books of rules and regulations, that all that is needed is a bribe and, God willing, by the end of the day the man can have coffee made on his own gas stove.

The photostats that are being presented along with this article are apparently those of an ordinary citizen. But, if the true identity of that person is revealed, it would be a shock for our readers to realize how even prominent people are forced to bow their heads to the gas company. If this is the situation in the case of those with pull and contacts, you can well imagine how the tyrants at Sui gas suck the blood of the general, helpless public.

9859

CSO: 4203/9



## PAKISTAN

### BRIEFS

**AID TO REFUGEES PRAISED--**Islamabad, Nov 11--Maulana Mohammad Yunus Khalis, chief of a Hazb-i-Islami (Khalis Group) of Afghanistan, said here today that the people of Afghanistan would never forget humanitarian assistance being extended by Pakistan to Afghans, who have taken refuge here. In an interview with APP, the Afghan leader said over 2.5 million refugees have crossed into Pakistan and the influx had been increasing with the passage of time. He said they were impressed by the way the Pakistan Government and the people were accommodating the Afghans and this has reminded people the examples set by Muslims of early Islamic era. He said such an assistance from Pakistan was all the more welcome and should be appreciated, keeping in view problems facing this poor country.--APP [Text] [Karachi DAWN in English 12 Nov 81 p 4]

**SMUGGLED GOODS SEIZED--**Smuggled goods worth about Rs. 42.8 million were seized last month by the Customs Preventive Collectorate bringing the total to about Rs. 83.5 million during July-October, 1981. Included in the seizures were heroin, wrist watches, foreign cloth and Pakistan and foreign currencies, besides gold, spare parts and charas. A Customs spokesman said all-out efforts were being made to check currency smuggling. The Customs have already succeeded in seizing Pakistan currency amounting to over Rs. 3.9 million and foreign currency worth over Rs. 3.2 million during the last four months ending Oct. 31. [Text] [Karachi DAWN IN English 12 Nov 81 p 7]

**PATRIOTIC ALLIANCE--**A formal announcement of the formation of patriotic alliance will be made in Karachi on Nov 19 at a news conference according to reliable sources. Before this, a meeting of the pro-Pakistan and pro-Islam elements will be held at the residence of Shaikh Liaqat Hussain, a leader of the defunct Pakistan Muslim League.--PPI [Text] [Karachi DAWN in English 12 Nov 81 p 4]

**MALDIVES SUPPORTS STAND ON AFGHANISTAN--**Maldives Education Minister Mohamed Zaheer Hussain has commended Pakistan's stand on the Afghanistan issue. Addressing a press conference in Islamabad, he said the Afghan people should be allowed to set up a government of their own liking and the Afghan refugees in Pakistan should be given the opportunity to return to their homes with honor and security. The Maldives minister described the Afghan issue as extremely dangerous for the region. On the Indian Ocean, he said it should be declared a zone of peace and added that his country is opposed to military activities in the Indian Ocean. He described the civil aviation agreement between Pakistan and Maldives as very timely for his country as an international airport has been constructed at Male, the capital of Maldives. He said Pakistan International Airlines will soon start an air service to the Maldives. [Text] [BK050731 Karachi Domestic Service in Urdu 0200 GMT 5 Nov 81]

**MALDIVES EDUCATION DELEGATION**--The Maldives education delegation, led by Education Minister Mohamed Zaheer Hussain, called on Federal Education Minister Mohammad Ali Khan in Islamabad today. The federal education minister briefed the delegation on the education policy, its purpose and objectives and the educational system of the country. Earlier, on arrival in Karachi the delegation leader said that Pakistan is an important country of this region and the Maldives will cooperate with it in various fields. He lauded Pakistan for adopting a forceful policy on Afghanistan and said that their policy is also the same on the issue. He said that the Islamic and Third World countries should extend extensive support to Afghan freedom fighters. [Excerpts] [BK031632 Karachi Domestic Service in Urdu 1500 GMT 3 Nov 81]

**ISLAMIC SUBJECTS POSTPONED**--The Vice-Chancellor of the University of Peshawar has allowed the postponement of the introduction of the subjects of Pakistan and Islamic Studies keeping in view the shortage of teachers on and nonavailability of books in English. The notification would apply to both the regular and the private students alike. According to the details of notification issued here on Sunday by the Peshawar University, in B.A./B.Sc./B.Th. examinations Islamic and Pakistan Studies will be introduced with effect from the session 1981-82 instead of 1980-81. For the examination to be held in 1982 all regular and private candidates would be required to appear in the additional optional subjects already in vogue. However, in 1983 examinations all additional optional subjects would stand abolished and candidates would be required to appear in Islamic and Pakistan Studies as a compulsory subject. In B.Sc. Home Economics examinations, paper entitled "Talimul Islam" in part-II is replaced with Islamic and Pakistan Studies and shall be applicable to the students appearing in Annual Examination 1983. [Text] [Peshawar KHYBER MAIL in English 10 Nov 81 p 5]

**FOREIGN FIRMS EXPRESS INTEREST**--Karachi, Nov 9--Some foreign companies have expressed interest in importing Pakistani manufactured goods and agricultural products, according to a bulletin from the export information and advisory centre. It said that South Korean firms had asked for tenders for the supply of deformed steel bars, hand tools, circuit breakers, variable speed motor pumps, etc. A Belgian firm required some medical and surgical instruments, while a firm in Kenya needed a wide range of chemicals. An indenting firm in Bangladesh had asked for bids for the supply of chemicals, raw cotton, cotton yarn and machinery.--APP [Text] [Peshawar KHYBER MAIL in English 6 Nov 81 p 3]

**GROUP DEMANDS ELECTIONS**--In Pakistan, the Lahore High Court Bar Association has demanded that the present military regime should redeem its pledge to hold elections and restore democracy in the country. The association criticized President Ziaul Haq's recent statement that the country is not fit for a return to democracy and the demand for elections has been made by so-called secular elements. It asserted that the demand has come from honest, patriotic Muslims. The lawyers pointed out that the present military regime came to power 4 years ago with the promise of providing elections within 90 days, but it has prolonged its rule on flimsy grounds. [Text] [BK200943 Delhi Domestic Service in English 0830 GMT 20 Nov 81]

CORRUPTION IN REFUGEE AID--Peshawar, 18 October, APP--So far, within the short period of 9 months, 255 officials within the Administration for Afghan Refugees have either been suspended or dismissed. Official action has been taken against them on charges ranging from lack of performance of duty to irregularities. This was disclosed here to the newspapers by the provincial commissioner for Afghan refugees. He said that nobody here can claim to be without fault, but he added that they have tried to rid this organization of corrupt elements, as is obvious from the actions so far. [Text] [Lahore NAWA-I-WAQT in Urdu 19 Oct 81 pp 1, 10] 9859

ADB GAS FIELD LOAN--Islamabad, Nov 10--Pakistan is seeking a loan of 54 million dollars from the Asian Development Bank for the development of Pirkoh natural gas field, official sources told PPI here today. A three-member Pakistan delegation led by the Secretary, Ministry of Petroleum and Natural Resources, Mr Masihuddin has left Islamabad for Manila to negotiate the proposed loan with the Bank authorities. The delegation includes Chairman Oil and Gas Development Corporation and officials of Sui Gas Corporation and Economic Affairs Division. Official sources further said that the loan would also be utilised for the laying of gas pipeline from Sui to Karachi and drilling of six more wells at Pirkoh by the Oil and Gas Development Corporation. The Pirkoh gas field will start operation in 1983 when it will initially produce 72 million cubic feet of gas per day. The recoverable reserves of natural gas from the dry gas fields and associated gases from the oil fields are estimated at 454.78 billion cubic feet, including Dhodhak and Pirkoh gas fields discovered by the OGDC in the Punjab and Baluchistan, according to official estimates.--PPI. [Text] [Islamabad THE MUSLIM in English 11 Nov 81 p 1]

NUSRAT BHUTTO FILES STATEMENT--Karachi, Nov 10--Begum Nusrat Bhutto today filed her written statement in the suit filed by the government for the recovery of Rs 8,20,524.74, before the Additional Registrar of the Sind High Court. Written statement on behalf of Sanam Bhutto was filed by Abdul Hafeez Lakho, Advocate. The Additional Registrar filed Nov 24, the next date of hearing.--APP [Text] [Islamabad THE MUSLIM in English 11 Nov 81 p 8]

CHINESE MILITARY DELEGATION ACTIVITIES--The visiting Chinese goodwill military delegation led by Yang Dezhi arrived in Abbottabad today on a day's visit. Soon after the arrival, they visited the frontier force regimental training center. The delegation also visited the Pakistan Military Academy, Kakul. [Text] [BK191136 Karachi Domestic Service in English 1005 GMT 19 Nov 81]

CSO: 4220/101

MARCOS PUSHES PRIORITY MEASURES

Manila DAILY EXPRESS in English 10 Nov 81 pp 1, 2

[Article by Miguel Genoveal]

[Text] President Marcos recommended yesterday to the Batasang Pambansa five measures for "the needs of social and economic justice" in the country.

Speaking at the resumption of the fourth regular session of the Batasan, the President said that these measures would increase incomes and employment opportunities in the countryside.

The President said the administration will intensify efforts to build on the benefits of land reform, improve the livelihood of tenant-tillers, small fishermen, landless rural workers, and upland and kaingin farmers.

The President reported that the nation "moved forward both in land reform (whose 9th anniversary was observed last Oct. 17) and the recent North-South summit in Cancun, Mexico, which he attended together with other world leaders.

The President said the two events "together symbolize the self-reliance and interdependence that characterize our world today."

The five recommendations by the President for Batasan action are:

1. Open more lands for production, by reclassifying all lands into their most economic use, including public lands classified as "forest" by laws.
2. Extend priority in the grant of leases and other similar gradient dispositions to those who occupy lands which exceed 18 percent, as indicated in forestry and related laws, which they have occupied, farmed, and developed for a reasonable period of years, as determined by the Ministry of Agrarian Reform and the Ministry of Natural Resources.
3. Give priority to landless rural workers and upland farmers in the use of idle and/or abandoned agricultural, timber and marshlands.
4. Extend additional fiscal incentives to timber-license holders and corporations created to develop industrial tree plantations, which employ individually or collectively upland farmers and landless rural workers.

5. Give priority in the grant of land reform is the country's declaration of self-reliance: "Our determination to put our house in order and our willingness to do all we humanly can to pull ourselves up by our own bootstraps."

Cancun, on the other hand, was a recognition by the world leaders of interdependence that what befalls one must sooner or later also befall the others, he said.

"Self-reliance and interdependence are two sides of the single coin that will pay our safe passage to the new society we seek for ourselves and for all of mankind," the President said.

The President said nine years of agrarian reform have given the country confidence to begin the livelihood program known as the Kilusang Kabuhayan at Kaunlaran and to prime up the economy with public investments that should stimulate big-city manufacturing for rural markets.

He said that the success achieved in Cancun was the beginning of a breakthrough in the global negotiations on the international economy.

The President pronounced the Cancun summit a success saying "It has been a worthwhile--a heroic--undertaking. It has brought the world a little distance away from confusion and conflict and turned it toward a vista of what the community of nations can do...."

He stressed to the lawmakers that both land reform and Cancun have the same lesson: that "change must come unavoidably to institutions and structures that have outlived their purpose."

After informing the Batasan of what happened in Cancun, the President submitted an 87-page "Post Cancun Summit Report."

CSO: 4220/94



JAYEWARDENE ON RAPPORT WITH TULF

BK041209 Colombo International Service in English 1045 GMT 4 Nov 81

[Text] President Jayewardene said yesterday that the Tamil United Liberation Front [TULF] leaders had agreed to cooperate with the government in wiping out terrorism in the north and elsewhere. The president was talking to the government parliamentary group about discussions he had held with the TULF leaders.

He said a rapport has been reached to preserve peace and stability and to push ahead with the development activities of the government. The TULF had agreed to have discussions with the government once a month.

The president told members of parliament not to be misled by certain elements who are out to disturb the peace and be cautious not to harm in any way the good relations that have been established with the Tamil leaders. They were trying to usher in a new era in forging communal amity.

The government, President Jayewardene said, had made it clear to the TULF that the government was against any division of the country. He also said he believed there was no link between the TULF and the so-called separatist type of movement. They had condemned the violence that had occurred in the north. If the TULF in any way did not cooperate to tackle it the government would have to think afresh.

Jayewardene said there were millions of Tamil speaking people who did not condone terrorist acts and wanted peace. They had to win their cooperation and solve the problems facing them without separatism. Under the constitution, every citizen, irrespective of community or religion, enjoys equal rights and the government is committed to implement this provision.

CSO: 4220/101

## SRI LANKA

### BRIEFS

IMPORTANCE OF TRINCOMALEE HARBOR--Prime Minister Premadasa, describing the Trincomalee Harbor as strategically important for peace in Southeast Asia, said yesterday that Sri Lanka which is not allied to any power block was following a foreign policy based on justice and fair play. Premadasa was addressing a (Janahemwa) after declaring open the (Dania Gama) model village in Trincomalee. He added that the government has taken all measures to safeguard this harbor. He also commended the unity which was prevailing among the Sinhala, Tamil and Muslim communities in the area. [Text] [BK221106 Colombo International Service in English 1045 GMT 22 Nov 81]

UN INDIAN OCEAN MEETING--A United Nations committee has agreed to recommend an international conference on the demilitarization of the Indian Ocean. Although no firm date was fixed, the ad hoc committee on the Indian Ocean agreed on Monday [16/November] that the meeting should be held no later than the first half of (?1983). Strong U.S. opposition to the idea had delayed action through 2 months of committee meetings this year. A consensus decision was reached only with America expressing reservations over the phrasing of the draft resolution. Committee chairman Sir Lanka's ambassador (Ben Fonseka), said that those delegations that had difficulties would be allowed every opportunity to express their objection in the committee's report to the assembly which will be presented before the end of the year. The ambassador said there were three types of consensus. One, with which all parties could be happy, one with which all parties could live and the other where all parties were unhappy. He added that they had reached a consensus of the third kind. If the conference is held as agreed, it will be considered as a necessary step for the implementation of the 1971 declaration of the Indian Ocean as a zone of peace. [Text] [BK181145 Colombo International Service in English 1045 GMT 18 Nov 81]

CSO: 4220/101

ASSISTANT RTA CINC INTERVIEWED ON RELATIONSHIP WITH PREM, ROLE IN COUP

Bangkok SIAM MAI in Thai 10 Oct 81 pp 29-32

[Interview with Army Assistant Commander-in-Chief Lieutenant General Paichit Somsuwan; date and place not given]

[Text] [Question] Can you give us some brief background about yourself and how you became an assistant RTA CINC which is considered a high military rank.

[Answer] I did not graduate from the military academy. The reason for this is that while I was in my second year there Thailand had just entered the Indochina war. We were at odds with Indochina and France. When France was defeated by Germany, Field Marshal P. [Phibunsongkhram], who was the government leader at that time, demanded the return of land from France as did many Thai. He decided to send in the army in order to take back our land.

At that particular time we had a scarcity of high-ranking military officers. I had to leave my second year of the military academy to join the 21st Infantry Regiment at Korat. During World War II, I was stationed in the Third Army Region, 3rd Division, and saw combat just over 4 years. After the war ended I entered the Army Staff College in Lopburi for 1 year where I was a successful student. The government pulled me out to teach in the military academy. Since that time I have taught for 32 years. It took me 32 years to become comptroller. I continued teaching military science also and had many classes of students.

[Question] What was your job as comptroller?

[Answer] The position of comptroller in a great-power army is considered very important. The army commander-in-chief has to listen to this person for any increase in strength of arms purchases because he controls the purse. In short, the comptroller is the commander of the comptroller's office. This person doesn't do the accounting himself, as people might think. In fact, he administers the army budget so the money is spent wisely and in the right way. The Finance Department is a separate section that actually handles the money. That is the procedure. I was the one who made the decision whether to buy or not to buy. For example, suppose we want to add one more army division. The office of the comptroller will send its people to see how much it would cost, whether it is really needed or what kinds of weapons we need to purchase. We have to send our experts to study whether the weapons will be worth the expense and will

serve their purpose, how much to spend for maintenance, and even the purchase of army uniforms. The office of the comptroller has to judge whether it is necessary. In making changes, all branches must come to the comptroller. This includes housing, toilets, in other words, everything from head to toe for the military, even helicopter purchases, must be analyzed. The office of the comptroller must look at the expense to see if it is reasonable. If its quality is a little less but it enables the army to support it financially on a long-term basis, would that be better? This is a very important job that helps the commander-in-chief to make the appropriate decision.

[Question] How did you get to know General Prem in order to become the dark horse as the assistant commander-in-chief of the army?

[Answer] I knew General Prem at a distance at the military academy. He was only a year ahead of me. We used to have conversations later when he was a special colonel and I also was a special colonel. We knew each other as classmates a year apart. I know him, and he knows my background and what kind of person I am.

[Question] There have been reports that General Prem is given to favoritism. Do you have any comments on this?

[Answer] I think...that's not completely true. It is common that one will send for the person whose capability he already knows but it does not mean asking a person that he knows but who has no ability to work in the post, or just to promote him on the job. There were a lot of his friends of the same class in the academy whom he did not consider capable of the job and who were removed...a lot of them.

[Question] Who were those people, the ones who were removed by General Prem?

[Answer] I think they are uh...young military officers. There are a lot of them who used to work closely under him. When he saw they were not good he got rid of them. Just because he likes somebody does not mean that he is going to promote him. I cannot see him ever doing that. About the Young Turks, I don't know how close they were to him. I would like to excuse myself from commenting on that. I wasn't around him all the time, and I really don't know all the facts.

[Question] Normally, there must be a good relationship between the commander-in-chief and the comptroller.

[Answer] That's what was said...in the case of former commanders-in-chief, not General Prem. The commander-in-chief and the comptroller must have a very close relationship, but General Prem considers the comptroller equal to all the general staff officers. When something comes up he calls me in to work for him and to relay his instructions, just as an assistant chief of staff for personnel or intelligence would do. We just follow government procedures.

[Question] What abilities do you have that you think qualify you for this position?

[Answer] Normally people are going to speak well of themselves. Maybe you should ask why he appointed me, a general, as the army assistant commander-in-chief. Whenever an announcement is made concerning an appointment I believe it depends on luck. If you don't get it you don't have to feel bad about it. I considered myself unlucky for 32 years. It did not bother me when I did not get a position. There were many times that I did not get benefits because there was no position for me. I believe we have to control our greed, anger, and delusions. However, not everybody can eliminate them entirely, but at least we can lessen them. This in turn will help to improve one's work.

[Question] How do you feel about this job, and how do you respond to reports saying that you have never served in a troop command?

[Answer] The facts are--first, I was in the military academy. Second, when I was young I used to fight and even was a battlefield leader. Third, in all 32 years of teaching in the military academy I taught military science. In the army I studied this matter all the time. When my appointment was announced I was very happy. I will be the army assistant commander-in-chief and then be promoted to the rank of general after His Majesty the King's official announcement. I am very proud that commander Prem or commander Prayud has confidence in me. At this moment I have no idea what kind of job the commander-in-chief will want me to carry out. Whatever the job is, I believe I can do it. I already have some plans in mind. It does not upset me if outsiders don't think I can do the job. There was something in a newspaper which said that now a comptroller is being chosen, maybe later they will pick the chief of the Army Medical Department. Then they will probably carry a calculator to the battlefield.

[Question] Referring to the events of 1 April, there is some talk that you were with General San Chitpatima, so why will you be promoted to the army assistant commander-in-chief now when others involved have all disappeared?

[Answer] I went there on that day, that's true. The reason I did was because I was following military rules. At first I did not know who carried out the coup. But when I found out, I walked out of it the same evening. This was simply an indication that I was following regulations.

[Question] How about the expense of 130 million baht during the coup attempt, which is still a problem. What's the story about that?

[Answer] That's not true. Intelligence agency money was not used in this matter at all. If I had used that money, I would not be here now.

[Question] But you were the one who controlled the money, were you not?

[Answer] I was ordered to do so but I did not follow the order. General Prem knew very well about this. After I finished my job getting things ready and everything was safe I went very early in the morning on that day.

[Question] Does that mean that the money for the revolutionary council headquarters was taken out first, and then you left?



[Answer] No, the money was not taken out because it was government money which had to be in the National Bank, and it was Sunday.

[Question] If that's so, where did the coup expenses come from?

[Answer] They must have managed somehow. They must have figured out how much it would cost in taking the armed forces out. There must have been a way to do it. What was talked about was just people's speculation as to how it was done. There were some cartoons which showed me running away carrying a bag of money. I did not get angry. Whatever I did, my superior knew about it.

[Question] Hasn't someone else been passed over by your appointment? Lieutenant General Athit Kamlang-ek does not have seniority, but yet he was named the army assistant commander-in-chief. Is this a result of the events of 1-3 April?

[Answer] Let me talk about Lieutenant General Athit first. If you think about it, it is not a question of getting passed over because he was a major general, then lieutenant general, and then general. If we talk about the title of deputy region commander, then region commander, and then to army assistant commander-in-chief, then it is not a pass-over situation at all. I can't say anything about his having two jobs. You will know when my superior makes his announcement.

[Question] It has been said that a promotion from major general to general in the same year is unprecedented.

[Answer] It did so happen when there was an emergency, in Field Marshal P[hibunsongkhram's] time.

[Question] But that was an emergency, which was different from now when circumstances are more normal.

[Answer] Go ask the army commander-in-chief himself. I can't answer for him. You can't really rely on seniority, and if you do it's really bad. For example, I have been doing this and that for a long time. I am senior myself. When I was in the military academy I did not really jump up and down. When I was major general as the director of the Military Education Department, why was Region Commander Chuan appointed commander of the Military Academy? He was a year behind me, his salary was less than mine, and he had less experience in military academy affairs. Why didn't I scream about it then? I worked under him and never against him, and gave him advice in everything. I wrote him all the reports he needed for his meetings. Go and ask General Chuan about me. He used to say, "When I came to the Military Academy, 'Phi' [elder] Phaichit was the only person I was afraid of offending." If you talk about the army, I would say, "Hey, who do you think I am? I was in the infantry also. Then why....?" You have to know what was appropriate at that time. If you ask the army commander-in-chief, there are some questions he might not be able to answer. You have to understand that.

[Question] What is the strategy to save our nation from becoming like Kampuchea or others?

[Answer] First, there is the economy. We must help solve the starvation problem. Second, people who are in a higher level have to look to those in the lower level to see if they can come up with any compromise. They can't simply stay up at the ceiling. History shows us why Russia which had been a monarchy became a communist country. It was because the majority of the people were poor and starving. A leftwing dictator came to solve the problem. They solved it. (raising his voice). It is possible; the starvation problem can be solved by dictatorship. This forces everybody to work, and sweeps out the upper class so that they won't be examples.

Everybody thinks, yes...this is good, that everybody works. This is the way the leftwing can do it. Hitler solved Germany's problem. We can say that whenever there is an economic problem, it will invite dictatorship in which the left or right will step in to solve the problem. Therefore, it is right that the government puts a lot of money towards solving the problem of the economy. Secondly, people have to unite together, put their heads together. They should not use their strength to fight each other. This is not military strength, but the strength of the masses or a laborer's strength, whatever you want to call it. Otherwise, it will leave some room for the enemy. "Fighting" does not only mean fighting with weapons but includes words and the use of the masses' strength as well.

[Question] What do you think will be the central point that will help us win or survive?

[Answer] The central point is the king. Secondly, high officials and powerful politicians must make sacrifices. It is not that if you don't get what you want, you won't yield. The most important thing is that the members of parliament must be reasonable enough to control the government. I would say leaders in all areas must make sacrifices and not be extravagant.

[Question] What do you think about our political situation today?

[Answer] Our democracy now is in full sail. Whether it will work or not depends on all of us having MPs representing all the people instead of other influential people. If our country is not stable the enemy will come in to solve it for us.

[Question] Is it necessary for the military to come in to solve the problem?

[Answer] If they are not asked they should not interfere. Should not interfere! (emphasized). If people say, "Our country is getting worse, we cannot take it anymore. We need the army of the people to help us solve the problem." The army should then enter to help only when they are asked by the majority of the people. The army should not attempt to interfere without being asked.

[Question] Since the change of government in 1932, has there been any time that people asked for help?

[Answer] Just because I am at this post you want me to answer this question. No, I cannot. Let's say that I do not know.

[Question] There are military men who have political posts, for example, when they are ministers and senators. Are these people called military politicians or not?

[Answer] Military, in general, will do that kind of work if their superior appoints them. I have never paid attention to that. I do not know who did the appointing and who were Kunsue [translation unknown]. I can tell you that I have Samatha [Buddhism: self-control]; I do not worry about other people's affairs.

[Question] Do you think that's the right thing to do or not? What's your opinion?

[Answer] It's the affair of top level officials. Whatever they want to do, they must already have decided.

[Question] What do you think of the case of the military who set up political groups such as Klum Tong-Kaut [translation unknown], the Democratic Soldiers which gave out leaflets saying that if someday there is any attempted coup, they will turn their guns on whoever gives the command?

[Answer] I think it sounds more like people outside the military who wrote those leaflets. The military would not write such foolish things. Whoever wrote it didn't graduate from Chulachomklao Royal Military Academy. It really makes me feel bad that a person from the military academy could turn his gun against his own superiors, and how he could graduate from such a school. How was he trained? In a case like this he does not deserve to be a soldier. Military personnel must obey their superior's order when given, even though they themselves have to die. Never mind turning the guns around; even not doing anything is wrong. One has no right to critique or talk back to his superior. I myself have no right to second-guess or argue because I am not the army commander-in-chief. When I am retired, then I will have the right to speak out. However, I want to tell you ahead of time that when I am retired I will not get involved. I would not say anything at all.

[Question] Major General Rawee Wanpen, for example, is the leader of the Democratic Soldiers Group.

[Answer] In this case he is doing his job. He is a military officer in the Internal Security Operations Command. The purpose of his job is to maintain democracy.

[Question] Do you mean the Democratic Soldiers Group was formed by the Internal Security Operations Command?

[Answer] ...well...to cultivate democratic feeling in the people, and to guard against evil dictatorship, which we must fight with democracy. Who else will encourage us? Major General Rawee is working on this. He does not work in secrecy but announces openly what his work is.

## SPECIAL BRANCH CHIEF INTERVIEWED

Bangkok THE NATION REVIEW in English 31 Oct 81 p 16

[Interview with Pol Maj Gen Opas Ratanasin, special branch police commander; date and place not given]

[Text]

**A** NEW CHIEF OF every agency often faces difficulties securing recognition from his subordinates, especially when he is not an old timer of the organization. Newly-appointed Special Branch Police Commander Pol Maj Gen Opas Ratanasin is no exception to the rule.

The new commander found himself in an air of dissension when he took up his new post. His unexpected transfer from the Border Patrol Police (BPP) virtually decimated about 20 Special Branch deputy commanders' chances of being promoted to the powerful slot.

Some of his subordinates even declared that they would slow down their work to protest what they called "nepotism." They claimed that Police Director General Pol Gen Suraphol Chulapram handpicked Pol Maj Gen Opas because of their close relations during their stay at the Border Patrol Police Force.

Although Pol Maj Gen Opas has been recognized as a capable hand in intelligence work, many subordinates still cast doubts on his competence. They said that the intelligence mission he handled at BPP mainly involved communist operations while the work at SPD was characterized by political motives.

"The intelligence gathering at BPP mainly involves suppression of communist insurgency and narcotics trafficking, but the work here is quite different. It is not suppressive

work, but political work," a police source said.

Pol Maj Gen Opas was head of the intelligence gathering unit of the Police Special Action Force before his appointment as SPD commander. He used to work hand in hand with Pol Gen Suraphol Chulapram in setting up a centre to gather intelligence from Metropolitan Police, Border Patrol Police, and Provincial Police agencies.

A police source, likening SBD to national police chief's eyes and ears, said that it was necessary for a police director general to handpick a commander of SBP because he wanted a reliable and close colonel to keep him well informed all the time.

SBD in the past was known to be a major mechanism of the government to decimate its political opponents and to follow persons suspected of being communists. However, the image has apparently been dashed because of the inefficiency in gathering up-to-date intelligence reports.

The intelligence gathering unit was hard hit during the April 1-3 abortive coup as it could not keep the then national police chief, Pol Gen Montchai Pankongchuen well informed over the coup and its development.

Police sources said that SBP then led by Pol Maj Gen Yuthachai Vaivuth failed to learn that the Young Turk military officers would

attempt a coup on April 1. Furthermore, it also failed to inform Pol Gen Montchai that Premier Gen Prem Tinsulanonda escorted the Royal Family to Nakhon Ratchasima where he set up a government in exile.

As a result of inadequate information about the development of the coup attempt, Pol Gen Montchai was said to report himself with the Revolutionary Party at the Army Auditorium in stead of immediately joining the government whose bastion was in Korat.

Highly-placed sources in the Police Department said that the then national police chief also wanted to replace Pol Maj Gen Yuthachai with another more efficient man, but he was stripped of his post before he could find any competent hand.

Pol Maj Gen Yuthachai who was appointed assistant commander of Police Zone Four told *The Nation* that SBD was too poorly equipped and understaffed to cope with its multi-dimensional work.

"SBD is not only responsible for investigative work it also has to take charge of security of diplomatic staffs, Cabinet members, and the Royal Family," said Pol Maj Gen Yuthachai who called for more budget for SBD.

Pol Maj Gen Yuthachai's predecessor was actually an old timer at SBD: Pol Maj Gen Boonsong Sripanpot who was the seniormost

deputy commander of SBD when he was promoted to the top post.

However, the appointment apparently only served to drive a wedge into the cracks within police intelligence gathering unit. A senior police official said that SBD was then most trouble-plagued ever.

"You know, all works are mess and not systematic at all. Pol Gen Montchai then instructed me to seek a new commander for SBD," he added.

He said that he recommended Pol Maj Gen Yuthachai who was then under the Highways Police Division because there was no other better choice.

Some police sources said that the appointment of Pol Maj Gen Yuthachai was also partially due to "political pressure" imposed on the then national police chief by the Kriangsak Government which detailed Gen Thuangthong Suwannathat to the Police Department.

One of them said that when former Premier Gen Kriangsak Chomanan stepped down from power, Pol Maj Gen Boonsong was removed from the post as a result.

Pol Gen Suraphol did not only

named his reliable aide to take up the top post of SBD, to enhance the efficiency of the unit, he also proposed with the Cabinet that a new post of assistant police director general on special affairs should be set up.

The reason for the proposal is that only one police deputy director general in charge of special affairs could not cope with sabotage whose rate has recently risen significantly.

Pol Gen Suraphol also nominated Pol Lt Gen Pranetr Ritruecha from the Border Patrol Police to new post in what observers believed to be another bid to tighten his grip of police intelligence gathering work.

Although Pol Gen Suraphol has thrown his full support behind his new commander of SBD, He recently summoned a meeting of senior SBD officials and declared in the meeting "Don't try to challenge my order." Pol Maj Gen Onas has yet to prove his competence before Pol Gen Suraphol retires next October.



## ATTEMPT TO CUT INFLUENCE OF VDC NOTED

Bangkok THE NATION REVIEW in English 17 Oct 81 p 12

[Text]

**N**AKHON SI THAMMARAT — Just four days after taking up his new post, Fourth Army Region Commander Lt Gen Harn Leenanda has taken action to trim down what he described as the influence of local mafia gangs in the South.

He stripped about 2,000 defence volunteers in Muang District here of their privilege to carry firearms on grounds that some of them have been backed by local tycoons in the biggest southern province.

His order, issued on October 5, has virtually raised a question over the merit of the defence volunteers — a paramilitary unit established to help the government crack down on communist insurgency.

Officially set up in September, 1978, the defence volunteer unit (Tor Sor Por Chor) has been hailed by the government as an effective mechanism to control the growth of the Communist Party of Thailand (CPT).

The defence volunteer units were established in almost every province, especially in communist-infiltrated areas, and their duty became more complicated: Apart from combatting communist guerrillas, the defence volunteers were assigned to cooperate with police and administrative official in clamping down on crime.

The defence volunteers in Muang District here were earlier ordered to join police forces in maintaining peace and order in the province which has been troubled by the high rate of murder and robbery.

But then the growth of the defence volunteers apparently surpassed any rational government control.

According to Lt Col Seri Dirapat, some leaders of the defence volunteers are former gangsters and it is believed that many defence volunteers have been exploited.

Another senior military official who asked not to be identified said the other day that the Fourth Army Region Com-

mander is apprehensive that these defence volunteers might tarnish the reputation of provincial seat.

The military view, however, differed from that of administrative officials here. Muang District Officer Somboon Chaisawat told *The Nation* that the defence volunteers had contributed to the peace in his district.

Asked whether the military as they were allowed to carry firearms and wear military-like uniforms.

He said that Lt Gen Harn decided to restrict the power of the defence volunteers partly because there were enough military troops and police officials to take care of the security in the defence volunteers were manipulated by local tycoons, the district officer said: "I don't think it is possible because we have regularly checked their performance and if we found current defence volunteers, we would have immediately sacked them."

He added that so far about 2,000 defence volunteers in

Muang District had created no problem and nobody had been fired for creating unrest or committing any untoward incident.

Somboon said that the Fourth Army Region commander had summoned local officials concerned to a meeting with him to explain the motives behind the order prior to the announcement.

"But I still wonder why I was later ordered to disband the defence volunteers in Muang District despite the fact that the commander told us during the meeting that only the defence volunteers in the metropolitan areas would be stripped of their authority," he said.

However, he said that he strictly abided by the order by the commander and had instructed all defence volunteers in Muang District to stop patrolling in the area.

Although, the Fourth Army Region has denied Press reports that the defence volunteers have been disbanded, and said that they were only instructed to stop

patrolling the district to crack down on crime, the defence volunteers have become jobless following the order.

A senior official of the Fourth Army Region said the other day that the military here believed that instead of carrying out duty involving the security of the public, the defence volunteers should assume a new role.

He cited fire-fighting as an example and

in fact what he suggested appeared to be opposite to the initial concept of defence volunteers.

Having earlier declared that he would eliminate local influence which he said would gradually undermine the democratic system, Lt Gen Harn appeared to have challenged the influential people head-on - and the question is how far he would or could go to fulfill his goals.

CSO: 4220/95-A

## PRODUCTIVITY, POVERTY IN SOUTH REVIEWED

Bangkok BANGKOK POST in English 1 Nov 81 p 8

[Article by Montri Chenvidyakarn: "Poverty Still Rife in the South of Thailand"]

[Text]

IN many areas of the South which is highly endowed with natural resources, the people are so poor that they cannot produce enough to eat, have to buy drinking water and all villages are without even a single toilet, a survey conducted recently by the Office of the National Economic and Social Development Board showed.

Results of the survey which covered a total of 20 poor villages in 27 districts of five provinces—Pattani, Nakhon Si Thammarat, Songkhla, Satun, and Phatthalung—were published in the July-August issue of the Economic and Social Journal just released.

From the study of the living conditions of 2,256 households, it was found that most of them are local people, with almost no immigrant from other regions.

Their main occupation is agriculture though they would try to get other jobs when they are free from farm-work. Each household has, on the average, only a small holding of 10 rai of rain-fed farmland.

Productivity of their farms is rather low, about 20 bushels per rai, so for most farmers in the South rice yields are not enough for consumption within their own households. Because of the small size of their farmland, only a small number of the people are engaged in growing cash crops.

Since the people cannot rely on rice farming to generate enough cash, they have to find supplementary income from other jobs. Fishing comes readily because most of the people live near the coasts.

Supplementary income from fishing can earn them from 10,000 to 20,000 baht a year per household for those who live near the seas. In the far

villages, such income will be only from about 5,000 to 6,000 baht per year.

Another source of supplementary income is palm sugar which they produce during the dry season (February-April). In the rainy season, the villagers will go catching crabs and fish in the klongs and rivers, which earn each household the equivalent of 2,000 baht per year.

For those families which grow rubber or coconut trees, each can earn from 4,000 to 5,000 baht a year from selling the products. Vegetable growing, charcoal making, and mattress weaving are only other sources of income for some villages which have the raw materials.

The main problem faced by the poor people in the South as by those in other regions is poor health. During the past five years, a large number of children less than one year old, have died of diphtheria, malaria, pneumonia, and worms.

Adults are ridden with such serious diseases as malaria, hemorrhagic fever and worms.

Obviously, these people have had no vaccinations against these diseases, and their sanitation is very poor, with almost all villages surveyed having no toilet at all.

The lack of portable water is another serious problem, especially during the dry season. Some areas are completely without water. Those which have water find it unusable because all the ponds containing fresh water are flooded with sea water and waste water released from the mines.

Although the local officials tried to take water to these villages, many still are unable to receive this service because of poor roads. Many villagers

have to buy portable water at an expensive rate of 2.50 baht per big bucket, which puts more hardship on them.

Since the South is well endowed with minerals, sea food, and forests which provide main jobs for the people, most could find other jobs in their localities or in nearby provinces to get supplementary income. This situation is unlike that in the Northeast and the lower part of the North which see a high rate of emigration because of low job opportunities.

From the survey, only six per cent of the people have migrated to other areas to seek temporary jobs within the region, mostly in the agricultural sector such as rubber tapping, rice harvesting, land clearing, and fruit picking. Only a small percentage of them seek jobs in factories.

However the wages they receive are rather low, about 30-40 baht a day. Those with rubber tapping skill get paid better than those without it, and the income from rubber tapping can improve their living standard to a certain extent.

The problem of land tenure in the South is not as serious as in the lower part of the North and in the Central Plains because most farmers own their own land, though the size may be small, about 10 rai per household compared with about 24 rai per household in the Northeast.

Renting rate in the South is thus high, though they mostly rent from their neighbours or relatives, and only a small number of them rent from big landowners who reside in the town.

Even though supplementary income is important for the people in the South, jobs which provide such income

are not easily available to the majority of them. And the fact that they have a high proportion of income in cash does not mean that they are better off than the people in other regions.

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THERE are 22 districts and 3 sub-districts in the five provinces which are officially declared "absolute-poverty" areas.

Pattani—Muang Pattani District, Nong Chik District, Mayor District, Yaring District, Sai Buri District, Yarang District, Panareh District, Thung Yang Daeng Sub-district, and Mai Kaen Sub-district.

Nakhon Si Thammarat—Ronphibun District, Muang Nakhon Si Thammarat District, Pak Panang District, Thungyai District, Chawang District, Phipun District, Chiang Yai District, Prom Khiri Sub-district.

Phanthabung — Muang Phanthabung District, Khuan Kanun District, Kong Hara District, Khon Sonchai District, and Tamod Sub-district.

Songkhla—Raphoum District, Ranod District, Sathingphra District, and Krassasin Sub-district.

Satun—La Ngu District.

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#### INTERVIEW WITH A FISHERMAN IN THE SOUTH

Mr Utmad Retmaa, 46, a fisherman of Ta Rua village in Muu 2, Tambon Thung Wah, Thung Wah District of Satun Province:

Question: How long have you been fishing?

Answer: More than 10 years.

Q: Have you any assistants?

A: Only my wife and children.

Q: How many children do you have?

A: Three.

Q: What do you use for fishing?

A: Nets.

Q: What do you catch?

A: Shrimps and small and trash fish?

Q: Is your boat motor-run?

A: It's run with a long-tailed boat engine.

Q: What is your daily income?

A: Some days more than 100 baht, others 70 baht, but mostly less than 100 baht.

Q: Why is that so?

A: Because fuel oil is expensive.

Q: How much do you pay for oil a day?

A: Two gallons per trip, each gallon costs 50 baht.

Q: Where do you buy the oil?

A: From the person who lends me money.

Q: Is the price the same as elsewhere?

A: No. It's cheaper in Trang. There a gallon costs 35 baht.

Q: Why don't you go there to buy it?

A: Because I've no money, I've to get it from the Chinese moneylender.

Q: Where do you sell your fish catch?

A: To the moneylender.

Q: Does he give you good price?

A: Not at all. For example, a kilo of shrimp is 120 baht, but he gives me only 60 baht.

Q: Can you sell it to other buyers?

A: No. Where can I get the money when I need it?

Q: How often do you borrow money?

A: Once a month.

Q: How much each time. Is the interest high?

A: 3,000 to 4,000 baht each time. He does not charge the interest.

Q: Are you still in debts now?

A: Oh! all the time.

Q: Is there any one in this village who is not in debts?

A: No one. Every house is in debts.

Q: Do you own your fishing boat?

A: Yes. But I have yet to pay up the instalments.

Q: How much did you borrow to buy a boat?

A: 12,000 baht.

Q: What did you use as collateral?

A: Nothing. The money was given on trust.

Q: What happens to those whose boats are not equipped with engines?

A: They are in a worse situation because they can't go out far. There are a lot of them in this district.

## ANTI-BURMESE GOVERNMENT MINORITY GROUPS CROSS-BORDER OPERATIONS NOTED

Bangkok SIAM RAT SAPPADA WICHAN in Thai 18 Oct 81 pp 10-11

[Article: "Minority Rebellions on the Western Front Have Not Changed"]

[Text] On 6-7 October, a foreign armed force of 700 people surrounded an RTA unit of 39 in the vicinity of the highlands of Ban Kaw Phya Samakkhi, Mae Kham Subdistrict, Mae Chan District, Chiang Rai Province. The latest reports concerning that fight are that only four Thai troops escaped encirclement. Four foreign soldiers' bodies were picked up.

Who was the foreign armed force? They were Burmese troops or those of the United Shan State (SUA [Shan United Army]). Lt Gen Som Khattaphan stated that "we cannot yet reveal who they were because we are afraid that it could affect international relations." The SUA are Khun Sa's troops. They are a tribal minority army to which the Thai Government has issued an ultimatum to withdraw from Thai territory. In fact, this armed force is still carrying on its activities back and forth between the borders of the two countries in order to avoid being wiped out. They are still the armed force that controls the biggest share of the narcotics trafficking in the Golden Triangle. They control nearly 70 percent of the trafficking in the border area. "Khun Sa" himself is the fifth ranking heroin king of the world. His [real] name is Chang Chi-fu and the Thais have issued a warrant for his arrest and have offered a reward of 500,000 baht.

Pol Lt Col Witthaya Nilaphet, deputy commander of Border Patrol Police [BPP] Region 5, reports that the area around which the fighting took place is one where Thahan Phran Irregulars from the camp at Pakthongchai District, Unit 53 in Nakhon Ratchasima Province came for combat maneuver training. This took the form of preventing the infiltration of foreign military forces and that of guerrilla warfare. Internal Security Operations Command (ISOC) took charge of the operation. This took place at the same time as the Burmese armed forces sent in troops to wipe out the minority tribes along the Burmese border at Ban Lao Lao-chai, Mae Kham Subdistrict, Mae Chan District. The tribal armed forces fled onto Thai territory with a horse caravan of more than 100 horses. It was thought that there would certainly be fighting.

When the fighting started between the Thahan Phran Irregulars and the foreign forces, the Region 5 BPP command was ordered to send the 508th BPP Platoon to meet with Mr Khandaeng Khemawong, acting as Khun Sa's representative and that of the SUA, at Ban Hintaeak in order to get them to stop surrounding and attacking Thai troops.



This was felt to be a violation of Thai sovereignty and they were asked to release them and cease the encirclement. Were they to disregard this request, the Thai side would send in a large armed force without delay because of the violation of Thai borders and the provocation against Thai forces. After the meeting with Khamdaeng, it appeared that Khamdaeng himself could not confirm whose force it was.

In the fighting at Ban Kaw Phya Samakkhi, two Burmese patrol planes passed over Ban Hua Mae Kham and Tong Mae Kham, coming from the north and heading west. A helicopter flew right over Ban Mae Salong heading for Ban Pan Nun where the fighting was and then disappeared into Burmese territory. [Against] the presence of a large Burmese military force and combat supporting aircraft, the Karen troops [as published] have only anti-aircraft weapons.

The Thai-Burmese border problem is one of weakness and misunderstandings occur easily. There are no clearly placed border markers and the British-made maps are still in use. There has as yet been no understanding reached between Thailand and Burma, although some border markers have been placed. However, there are still problems in border control, patrolling and control of exit and entry. It is impossible to do these things because of the extremely mountainous topography. Moreover there are problems with the minority groups along the border who are resisting the Burmese Government.

The armed forces of rebellious tribal minorities along the Thai-Burmese border are based there to conduct resistance operations against the Burmese Government. Since the end of last year, the Burmese Government has thrown in troops to wipe out the minority armies along the Thai border in Tak, Chiang Rai, Mae Hong Son and Kanchanaburi provinces, especially those of the Free Karen forces. This began in September-October of last year with a division of 800 men [as published]. The Burmese troops hired some 2,000 Gurkhas to wipe out the Karens at the Mae Proh camp. This met fierce resistance and to this day, they have not been able to finish the job.

The Karen troops Camp Khareuktae and Camp Mae Proh have improved their bases that surround the camps on the Burmese side. They dug bunkers along ridge lines for 2 kilometers. The Mae Proh camp has stockpiled food and water in preparation for all-out resistance against the Burmese. Karen people have been conscripted to construct firing positions and anti-aircraft artillery has been emplaced on hilltops around both camps. Anyone refusing this conscription is fined 50 thaep or 96 Thai baht.

In the latest suppression campaign, the Burmese met with losses and were unable to smash the Karen camps even though they threw into battle the rapid deployment 2d, 5th and 6th battalions of the 44th Division against the Karen 49th battalion of the 7th Division at Ban Bo Leur in Burma. This was west of Ban Che Du Ye. In this fighting, the Burmese lost 13 men with 77 wounded. Only 3 Karens were killed and 6 wounded. The Burmese sent in 4 fighter planes in support.

As for the violence of the combat in the effort to suppress these minority groups' armed forces, the Burmese Government announced to the people of Thailand's Thachilek District [as published] that in the 4 months of August-November of this year there would be no cargo trucks or buses making the trip from Thachilek District to Chiang Tung, but that they could travel to Tha Deua. Buses could go from Chiang Tung to Thachilek. The reason for this was that Burmese military authorities were

unable to provide troops to insure safety along those routes and there were Communist Party armed forces still located in the area numbering approximately 15,000 troops.

What is going on along the western border is not the only violence of the Burmese Government which aims to wipe out armed minority groups. Going south along the border with Prachuap Khirikhan Province, the Free Mon have also [been] attacked in each stronghold which is opposing [the government]. The attacks have resulted in deaths and woundings requiring hospitalization. Most of the fighting with the Free Mon groups is only for the benefit of those with influence who will control the area around the border at Chong Chi Pass, Bang Saphan District, Prachuap Khirikhan Province, although the Thai side has sent in troops to push these forces out of Thai territory. However, there is still fighting and frequent violations of Thai territory.

These minority groups that have established armed forces in the area of the Thai-Burmese border, in accordance with Thai policy, are not enemies [of Thailand], but they are enemies of the Burmese Government. Thailand feels that the problems the minority groups have with the Burmese Government are the internal affairs of Burma and Thailand absolutely refuses to get involved. It is feared that the Burmese minority groups living along the border could become the enemies of Thailand and join forces with the communists. In the view of the military authorities, this would have an impact on Thai security. It is therefore necessary to be moderate in confronting them. Thai assistance to these minority peoples will be limited to humanitarian aid.

So, the minority groups' armed forces depend on the border as a sanctuary from suppression drives. When the Burmese attack them, they either resist or withdraw into Thailand. If Thailand pushes them out, they cross into Burma. The war of the minority peoples will probably be a protracted one. The battle line on Thailand's west has not changed.

CSO: 4207/29

# NATION GETS INDIAN HYDRO GENERATOR

Madras THE HINDU in English 4 Nov 81 p 22

[Text]

## BHOPAL

Mr A Ongetta, Consulting Engineer of Motor Columbus of Switzerland, has congratulated Bharat Heavy Electricals Limited for "its excellent efforts and workmanship to meet production and quality performance of high accuracy and technology, satisfying requirements of international standards". The occasion was the handing over to Thailand of the biggest hydro electric generator to be exported from India.

This is a 115 MW hydro generator for the Bhumbol Hydro Electric Project of the Electricity Generating Authority of Thailand (EGAT), now ready at BHEL — Bhopal.

The stator of the generator, after successful testing in the presence of EGAT engineers and their consulting engineer from Switzerland, was handed over to them by Mr S P Singh, Executive Director, BHEL — Bhopal. The other parts of the generator had been tested satisfactorily earlier.

The Thai engineers from EGAT expressed their full satisfaction over the

high quality of the stator.

The Bhumbol project, being financed by the Asian Development Bank, has been secured by BHEL against stiff international competition through global tender. The project is an existing power station which is already equipped with six hydro turbines (70 MW each) from Japan and their matching generators. The seventh turbine for the project is being supplied by Japan.

BHEL — Bhopal has already supplied three hydro turbines of 28.8 MW each to Thailand for its Pattani project and generators of 30 MW each to Nepal for its Kulekhani project. Other export orders for hydro equipment under various stages of execution by Bhopal are: eight generators of 53 MW each for Ohau (New Zealand), two generators of 60 MW each for Rangipo (New Zealand), three sets of turbines and generators of 23 MW each for Tenom-pengi project (Malaysia), four sets of turbines and generators of 84 MW each for Chukha (Bhutan) and three sets of turbines and generators of 5 MW each for Devighat project (Nepal).

CSO: 4220/95-A

## MASS LAY-OFFS INCREASE, LABOR EXPRESSES CONCERN

Bangkok THE NATION REVIEW in English 31 Oct 81 p 16

[Text]

**M**ASS LAY-OFFS have continued both in Bangkok and in the provinces for the past two months.

There were arguments as to exactly how many people became unemployed. While the Labour Department reported that about 500 people were dismissed — mostly with severance pay — in Bangkok, the Labour Congress of Thailand claimed that as many as 1,000 people were laid off in Bangkok alone.

The worrying trend has become a matter of great concern for labour bodies which are trying to establish a motive behind it. But a senior official of the Labour Department said such trend was common during this particular time of the year.

Labour Director General Vichit Saengthong told a seminar on tripartite labour relations recently that the mass lay-offs were a result of unfavourable economic condition.

Employers were forced to cut back production because of declining sales.

The introduction of the new minimum wage was also blamed for the increased production cost for industrial establishments.

One month after the new minimum wage was imposed, a group of industrialists in Chiang Mai sent a letter to the governor asking the government to review the rate of the new wage, claiming that they could not cope with it.

Slightly before and after October 1 — the day the new minimum wage went into effect — workers at factories in Saraburi, Chonburi,

Samut Prakarn, Samut Sakhon, Pathum Thani and Nakhon Ratchasima began to get laid off.

The subject of mass lay-offs was widely discussed during a seminar held recently by the Social Research Institute of Chulalongkorn University by a group of labour leaders and academics.

Most of the academics studying the labour problem agreed that unfavourable economic situation was largely responsible for the mass lay-offs.

"But the question is whether the employers are doing it for survival

or just to cut down expenses," Narong Petprasert, one of the well-known academics, noted.

However, some of the academics also blamed what they described as "selfishness" of the employers for not diverting parts of the profits made when the economy was good to help the workers on rainy days.

Many of them scoffed at the employers' claim that they were hard hit by the introduction of the new minimum wage.

"Minimum wage is only a tiny part of the problem. Wages represent only slightly more than 10 per cent of the normal production cost," one of them said during the seminar.

Labour leaders have during the past several weeks been preoccupied with daily discussions on the disturbing problem of mass lay-offs.

Ekkachai Ekhamkarnol, an executive of the Labour Congress of Thailand and president of the labour union of the Metropolitan Water Work Authority (MWWA), said lay-offs had become a handy tool for employers to deal with dissident workers.

"It is their legitimate right to dismiss workers they don't like. And all depends on the employers' own judgement," he said.

Ekkachai pointed out that employees should be given protection against such unilateral action.

"At least workers should be given a say in deciding on the question of lay-offs," he said.

President of the Labour Congress of Thailand Paisal Thawatchainan said the mass lay-offs that had been taking place were unprecedented.

"The situation not only aggravates the

unemployment problem but also affects the morale of those who are still working," he said.

Paisal said many of the lay-offs had questionable motives. They were systematic and were carried out mostly against workers making the loudest voice in their demand for better pay or working condition or against those who tried to form labour unions.

"It's a kind of tactic to nip things in the bud," he said.

Nikom Tengyai, an executive of the Labour Congress of Thailand, observed that many of the labour advisers tended to advise employers to adopt "strong-arm tactics" to deal with dissident workers.

"These include factory shutdown, boycott of negotiations and attempts to incite workers to violate laws," he said.

He also accused some employers of employing "thugs" to deal physically with their dissident workers.

These advisers have been offering themselves to work for employers and always have a tendency to be antagonistic with workers, according to Nikom.

Deputy Director

General of the Labour Department Charoen Siriphan said many of the employers had "blacklists" of undesirable workers. The blacklists would be passed among themselves.

Charoen said such blacklisting was very dangerous.

"In other countries there is a law to prohibit such blacklists," he said.

He also urged the Labour Congress of Thailand to pay more attention to this problem and campaign against the blacklisting of workers by employers.

Labour Director General Vichit said the Labour Department had been trying its best to make employers more sympathetic with workers particularly when the economic situation was bad.

The attempts to create tripartite labour relations were also seen as a solution to the problem, he said.

Members of the Labour Congress of Thailand are expected to meet soon to seriously discuss the problem.

"It has become a national problem that needs to be tackled seriously," said Ekkachai.



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